MOST-FAVORED-NATION TRADING STATUS FOR THE SOCIALIST REPUBLIC OF ROMANIA, THE HUNGARIAN PEOPLE'S REPUBLIC, AND THE PEOPLE'S REPUBLIC OF CHINA

HEARING

BEFORE THE

SUBCOMMITTEE ON TRADE

OF THE

COMMITTEE ON WAYS AND MEANS
HOUSE OF REPRESENTATIVES

NINETY-NINTH CONGRESS

SECOND SESSION

JUNE 10, 1986

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MOST-FAVORED-NATION TRADING STATUS FOR THE SOCIALIST REPUBLIC OF ROMANIA, THE HUNGARIAN PEOPLE'S REPUBLIC, AND THE PEOPLE'S REPUBLIC OF CHINA

TUESDAY, JUNE 10, 1986

House of Representatives,
Committee on Ways and Means,
Subcommittee on Trade,
Washington, DC.

The subcommittee met, pursuant to call, at 9:30 a.m., in room 2226, Rayburn House Office Building, Hon. Sam M. Gibbons (chairman of the subcommittee) presiding.

[The press releases announcing the hearing follow:]

FOR IMMEDIATE RELEASE
THURSDAY, MAY 29, 1986

SUBCOMMITTEE ON TRADE #29
COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES
1102 LONGWORTH HOUSE OFFICE BLDG.
WASHINGTON, D.C. 20515
TELEPHONE: (202) 225-3627

THE HONORABLE SAM M. GIBBONS (D., FLA.), CHAIRMAN, SUBCOMMITTEE ON TRADE, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, ANNOUNCES A HEARING ON MOST-FAVORED-NATION TRADING STATUS FOR THE SOCIALIST REPUBLIC OF ROMANIA, THE HUNGARIAN PEOPLE'S REPUBLIC, AND THE PEOPLE'S REPUBLIC OF CHINA, JUNE 10, 1986

The Honorable Sam M. Gibbons (D., Fla.), Chairman of the Subcommittee on Trade, Committee on Ways and Means, U.S. House of Representatives, today announced that the Subcommittee will conduct a hearing on Tuesday, June 10, 1986, to examine the issue of most-favored-nation (MFN) trading status for the Socialist Republic of Romania, the Hungarian People's Republic, and the People's Republic of China. The hearing will be held in room 2212 Rayburn House Office Building, beginning at 9:30 a.m.

Nondiscriminatory MFN status was granted to the Socialist Republic of Romania on August 3, 1975, to the Hungarian People's Republic on July 7, 1978, and to the People's Republic of China on February 1, 1980, pursuant to Congressional approval of the agreements on trade relations between the United States and these countries. In approving extension of MFN treatment, the Congress also accepted the President's waivers for Romania, Hungary, and the People's Republic of China of the 1974 Trade Act's emigration requirement with respect to trade relations with countries not previously receiving nondiscriminatory treatment. The Trade Act waiver authority expires on July 3 of each year. It may be extended at one-year intervals upon a Presidential determination and report to Congress that such extension will substantially promote the objectives of the Trade Act's emigration requirement, provided that Congress does not disapprove such extension.

Although the President's recommendation relating to waivers under the Trade Act has not yet been submitted to the Congress, such recommendation must be submitted no later than June 3 in order to extend continuous MFN status to any of the countries concerned. The hearing will focus on the President's recommendation, as well as on legislation which has been introduced relating to MFN status for Romania and other countries.

(MORE)

DETAILS FOR SUBMISSION OF REQUESTS TO BE HEARD

Individuals and organizations interested in presenting oral testimony before the Subcommittee must submit their requests to be heard by telephone to Harriett Lawler [(202) 225-3627] no later than Wednesday, June 4, 1986, to be followed by a formal written request to Joseph K. Dowley, Chief Counsel, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Building, Washington, D.C. 20515. The Subcommittee staff will notify by telephone those scheduled to appear as soon as possible after the filing deadline. Any questions concerning a scheduled appearance should be directed to the Subcommittee office [(202) 225-3943].

It is urged that persons and organizations having a common position make every effort to designate one spokesperson to represent them in order for the Subcommittee to hear as many points of view as possible. Time for oral presentations will be strictly limited with the understanding that a more detailed statement may be included in the printed record of the hearing (see formatting requirements enclosed). This process will afford more time for members to question witnesses. In addition, witnesses may be grouped as panelists with strict time limitations for each panelist.

In order to assure the most productive use of the limited amount of time available to question hearing witnesses, all witnesses scheduled to appear before the Subcommittee are required to submit 150 copies of their prepared statements to the Subcommittee office, room 1136 Longworth House Office Building, at least 24 hours in advance of their scheduled appearance. Failure to comply with this requirement may result in the witness being denied the opportunity to testify in person.

WRITTEN STATEMENTS IN LIEU OF PERSONAL APPEARANCE

Persons submitting written statements for the printed record of the hearing should submit at least six (6) copies by the close of business, Friday, June 13, 1986, to Joseph K. Dowley, Chief Counsel, Committee on Ways and Means, U.S. House of Representatives, 1102 Longworth House Office Building, Washington, D.C. 20515. If those filing written statements for the record of the printed hearing wish to have their statements distributed to the press and the interested public, they may provide 100 additional copies for this purpose to the Subcommittee office, room 1136 Longworth House Office Building, before the hearing begins.

SEE ENCLOSED FORMATTING REQUIREMENTS.

COMMITTEE ON WAYS AND MEANS FORMATTING REQUIREMENTS FOR PRINTING OF HEARING STATEMENTS, WRITTEN COMMENTS AND EXHIBITS

Each statement presented for printing to the Committee by a witness, any written statement or exhibit submitted for the printed record or any written comments in response to a request for written comments must conform to the guidelines listed below. Any statement or exhibit not in compliance with these guidelines will **not** be printed, but will be maintained in the Committee files for review and use by the Committee.

1. All statements and any accompanying exhibits for printing must be typed in single space on legal-size paper and may not exceed a total of 10 pages.
2. Copies of whole documents submitted as exhibit material will not be accepted for printing. Instead, exhibit material should be referenced and quoted or paraphrased. All exhibit material not meeting these specifications will be maintained in the Committee files for review and use by the Committee.
3. Statements must contain the name and capacity in which the witness will appear or, for written comments, the name and capacity of the person submitting the statement, as well as any clients or persons, or any organization for whom the witness appears or for whom the statement is submitted.
4. A supplemental sheet must accompany each statement listing the name, full address, a telephone number where the witness or the designated representative may be reached and a topical outline or summary of the comments and recommendations in the full statement. This supplemental sheet will not be included in the printed record.

The above restrictions and limitations apply only to material being submitted for printing. Statements and exhibits or supplementary material submitted solely for distribution to the Members, the press and public during the course of a public hearing, may be submitted in other forms.

**** NOTICE -- CHANGE IN LOCATION ****

FOR IMMEDIATE RELEASE
THURSDAY, JUNE 5, 1986

SUBCOMMITTEE ON TRADE #29-REVISED
COMMITTEE ON WAYS AND MEANS
U.S. HOUSE OF REPRESENTATIVES
1102 LONGWORTH HOUSE OFFICE BLDG.
WASHINGTON, D.C. 20515
TELEPHONE: (202) 225-3627

THE HONORABLE SAM M. GIBBONS (D., FLA.), CHAIRMAN, SUBCOMMITTEE ON TRADE, COMMITTEE ON WAYS AND MEANS, U.S. HOUSE OF REPRESENTATIVES, ANNOUNCES A CHANGE IN LOCATION FOR THE HEARING ON MOST-FAVORED-NATION TRADING STATUS FOR THE SOCIALIST REPUBLIC OF ROMANIA, THE HUNGARIAN PEOPLE'S REPUBLIC, AND THE PEOPLE'S REPUBLIC OF CHINA, JUNE 10, 1986

The Honorable Sam M. Gibbons (D., Fla.), Chairman of the Subcommittee on Trade, Committee on Ways and Means, U.S. House of Representatives, today announced a change in the location for the hearing on Tuesday, June 10, 1986, to examine the issue of most-favored-nation (MFN) trading status for the Socialist Republic of Romania, the Hungarian People's Republic, and the People's Republic of China. The hearing will be held in room 2226 Rayburn House Office Building, beginning at 9:30 a.m.

All other details for the hearing remain the same (see Subcommittee press release #29, dated May 29, 1986).

* * * * * * * * * *

Chairman **Gibbons**. Good morning, ladies and gentlemen. As all of you know, this is a meeting of the Ways and Means Subcommittee on Trade to consider the extension of most favored nation or nondiscriminatory trading status for Hungary, Romania, and the People's Republic of China.

The subcommittee has before it a number of bills which would restrict or deny MFN status for one or all of these countries. In addition, the President recently informed the Congress of his intention to extend the MFN status for all three countries for an additional year, although he noted that his decision with respect to Romania was taken with a great deal of difficulty. Reports of continued restrictions on religious freedoms and of human rights violations in Romania are of great concern to the subcommittee.

We have an impressive list of witnesses before us today. It is my hope that the testimony received from them will help us answer many of the questions that exist in this area. Because of the expected length of today's hearing, I must request that all witnesses summarize their testimony within 5 minutes or less.

Before turning to our first witness, I would like to submit for the record a copy of a letter which I received from the chairman and ranking minority of the House Foreign Affairs Committee on Europe and Middle East, Lee Hamilton and Benjamin Gilman. In their letter, they note the extensive hearings by that subcommittee on the situation in Romania. They conclude, despite a number of serious problems in the area, that it is in our national interest to extend MFN status to Romania for the coming year for a number of reasons.

I would like to incorporate their letter into the record at this point. Without objection, the Hamilton-Gilman letter will be included.

[The letter follows:]

DANTE B FASCELL Florida Chairman

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JOHN J BRADY JR
Chief of Staff

Congress of the United States
Committee on Foreign Affairs
House of Representatives
Washington, DC 20515

June 9, 1986

The Honorable Sam Gibbons
Chairman, Subcommittee on Trade
Committee on Ways and Means
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. ~~Chairman~~ Sam:

It is our understanding that the Subcommittee on Trade is holding a hearing on the extension of Most-Favored-Nation (MFN) trading status for Romania for 1986-1987.

The Subcommittee on Europe and the Middle East has spent considerable time over the last several months in hearings with the Department of State and other agencies and individuals examining carefully the domestic situation in Romania and United States-Romanian relations. There is harsh domestic repression in Romania and there are many human rights violations. Despite these serious problems, on which we must work, our judgment is that it is in our national interest to extend MFN status to Romania for the coming year in order to try to work with Romania on those issues which are of deep concern to many of us in the Congress. Therefore, we urge you to support the President's decision of June 3, 1986. We do so for several reasons:

First, on the narrow criterion of the 1974 Trade Act and Jackson-Vanik amendment which ties Romania's MFN status to emigration, Romania has been fairly responsive. During the 11 years of MFN over 150,000 have emigrated from Romania. One out of every 160 Romanians has emigrated legally. Our ability to continue to try to resolve 4,000 pending reunification cases is critical. It is our understanding that close to half of these are on their way to resolution.

Second, we believe that the record of our eleven years of annual MFN review has provided leverage over Romania on important issues. We hope to try to make progress on these issues, and to keep the door open for appeals on specific cases. Denial of MFN at this time would complicate our ability to influence further decisions in Bucharest and could allow a bad situation to worsen because there would be less incentive to resolve problems.

Third, the political situation in Romania is fragile. Many experts suggest that over the next year or two, there are likely to be some leadership changes in the Romanian government. If we are entering a transition period, and the consensus is that we could be, the United States has an interest in maximizing its leverage in this period. MFN helps us to do that. It will enable the U.S. to be a more effective player during any transition period when forces for evolutionary change in Romania are likely to become prominent. It is not in our national interest to cut ourselves out of competition for influence in Romania at a time when we know the Soviets will be pressing hard. We should allow Romania an opportunity to resolve its problems with the West, and give it a way to work out problems which is admittedly has created for itself.

Fourth, Romania has a unique foreign and international security policy which the United States has an interest in supporting and promoting. Even though the foreign policy is circumscribed by reason of its geographic position, Romania has insisted on maintaining and building on good relations with Israel, China, West Germany and the United States. Romania's Warsaw Pact military participation is limited, and it is the only Warsaw Pact country to conduct more than 50 per cent of its trade with the non-communist world.

Serious persecution in Romania of small denominations of Christian believers, interference with individual freedoms and political suppression are deeply offensive to many of us. Our ability to address broad policy concerns in Romania and to ameliorate many individual cases is clearly enhanced by the entree our annual review of MFN status affords us. But we must use that entree carefully. I think your committee has. There may well come a point in time where our ability to use this annual review as leverage is diminished or lost. At that time, we should consider termination. But I am convinced that now is not the right time.

We appreciate your consideration of this letter and are available to answer any questions you may have.

With best regards,

Sincerely yours,

Ben

Lee H. Hamilton
Chairman
Subcommittee on Europe
and the Middle East

Benjamin A. Gilman
Ranking Minority Member
Subcommittee on Europe
and the Middle East

Chairman **Gibbons**. Let me say before I go to the first witness, it is my intention to run these hearings until about 12:15, or around that time, and to recess until around 2 o'clock and to come back and finish the hearings here in this room for the remainder of the day and to conclude the hearings today.

Our first witnesses today are our esteemed colleagues, Mr. Tony Hall, Mr. Christopher Smith, and Mr. Frank Wolf. They are the current primary cosponsors of H.R. 3599 which would suspend MFN status for Romania for a period of 6 months in light of that country's human rights record.

Gentlemen, we will proceed as you wish. Mr. Hall is the first on our list, so unless you have designated differently, we will hear from Mr. Hall first.

STATEMENT OF HON. TONY P. HALL, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF OHIO

Mr. **Hall**. Thank you, Mr. Chairman, and members of the subcommittee.

The three of us appreciate your diligence and offering of help in holding this subcommittee hearing. We are very, very grateful for the opportunity to testify before you today.

For years Romania has enjoyed the reputation of being one of the most independent nations in the Eastern bloc. Its participation in the 1984 Olympics was hailed as an indication of this. They, from time to time, have tried to distance themselves away from Russia on certain issues, and as a result, Romania is considered somewhat open to the West and is one of the few Communist countries in the world to be granted our most-favored-nation status.

I think Romania has been coasting on this very undeserved moderate image for too long. Helsinki Watch has called Romania "one of the worst human rights offenders in Eastern Europe." Amnesty International has said practically the same thing. Christian Response International has listed a number of abuses over the years in Romania. Our own State Department human rights reports have done the same thing.

We think it is time for the United States to face this reality and start treating Romania like the human rights violator that it really is.

In July of 1985, my friends and colleagues, Congressmen Chris Smith and Frank Wolf, and I went on a factfinding mission on Romania sponsored by Christian Response International. We observed first-hand the persecution of religion and other abuses. Churches have been bulldozed, Bibles have been turned into toilet paper, pastors and lay leaders have been jailed or heavily fined for preaching. Beatings and other forms of torture are given to prisoners of conscience.

The Romanian believers would come up to us, and as they would shake our hands or hug us, they would give us messages, they would stuff papers in our pockets, little messages into the palms of our hands about family members of theirs in prison and other tribulations imposed upon them. We were deeply moved by their courage and by their faith, and it was really something to see.

My colleagues and I brought to the attention of the Romanian Government specific cases and specific issues where we hoped we could see positive movement by that Government. We talked long and hard with them over there in several meetings, sent them a letter, we sent them several communications. The Romanian Government never answered the letter that the three of us sent on July 16, 1985, nor a followup telegram of September 12, 1985, nor any other messages that we sent directly or indirectly.

In view of the continuing reports of religious persecution and harassment, we concluded that a stronger reaction was needed. Therefore, on October 22, 1985, we introduced H.R. 3599, a bill to temporarily suspend MFN to Romania for 6 months. We are pleased an identical bill, Senate bill 1817 was introduced in the Senate on November 1, 1985, by Senator Paul Trible and Senator William Armstrong.

Under our bill, Romania would be placed on probation for 6 months. During this time, the administration would assess whether progress was being made concerning religious freedom and human rights. Positive action on the part of the Romanian Government would permit MFN to be restored. Our bill, therefore, would not provide for the permanent lifting of MFN.

Despite our bill and other legislation relating to human rights, the administration approved another year-long extension of MFN for Romania on June 3, 1986. Although the administration expressed concern about Romania's human rights violations, it takes the view continuing MFN provides leverage to promote broader civil liberties in Romania. But if this is true, why have human rights violations and restrictions on religious liberties intensified during 11 years of MFN trade benefits for Romania?

A temporary suspension of MFN should be enacted now in order to convey to the Romanian Government that the United States will not conduct business as usual as long as religion is being persecuted in that country. Continued MFN has failed to bring about genuine improvements. Romania is reaping large benefits from MFN and having to do little to earn them.

To make this bitter pill more palatable to the United States, the Romanians sugarcoat it each year by releasing a few political prisoners, and increasing the number of emigrations. Real reforms or policy changes do not occur. Although with some reluctance the administration has decided to extend MFN, the Romanian Government will not be moved by mere expressions of concern or more critical human rights reviews. The only way to get their attention is to temporarily suspend MFN.

I just thank you for this chance to have this hearing, Mr. Chairman, and we are very much committed to this issue. We are very much committed to the people of Romania. We spent a number of days over there in various churches speaking at both public and private meetings. We are convinced that it is the same old pattern for many many years that has been going on, about the time Congress and the President are considering whether we give MFN for another year or two, it always seems that at the last minute the Romanian Government expresses its concern and starts to bend a little bit in releasing a few prisoners.

But the record is still the same, wait until next year, things are getting better. But actually the things are getting worse. And when you look at Helsinki Watch and Amnesty International and Christian Response International and you look at our own State Department's human rights report, all of them saying the same thing over and over and over again, this nation of Romania is not different. This nation is not an independent nation of the Eastern bloc.

And so we just ask you to consider this. We ask you to consider the legislation before us, and we really ask you to give serious consideration to this legislation and enact it before this session is over. We just thank you again, Mr. Chairman, and members, for having us and for allowing us to speak on this most serious issue.

[The prepared statement follows:]

TESTIMONY OF REP. TONY P. HALL
SUBCOMMITTEE ON TRADE
HOUSE COMMITTEE ON WAYS AND MEANS
June 10, 1986

Mr. Chairman and Members of the Subcommittee, I am honored to appear before you today on the subject of Romania's Most Favored Nation status. I am grateful for the opportunity to testify.

For years, Romania has enjoyed the reputation of being one of the most independent countries of the Eastern Bloc. Its participation in the 1984 Olympics was hailed as an indication of this. As a result, Romania is considered somewhat open to the West and is one of the few Communist countries in the world to be granted our Most Favored Nation status.

Romania has been coasting on this undeserved "moderate" image for too long. Helsinki Watch has called Romania "one of the worst human rights offenders in Eastern Europe." It is time for the United States to face this reality and to start treating Romania like the human rights violator that it is.

In July of 1985, Congressman Chris Smith, Congressman Frank Wolf, and I went on a factfinding mission to Romania sponsored by Christian Response International. We observed firsthand the persecution of religion and other human rights abuses.

Churches have been bulldozed, Bibles have been turned into toilet paper, and pastors and lay leaders have been jailed or heavily fined for preaching. Beatings and other forms of torture are given to religious prisoners of conscience. At great personal risk, individuals would come up to us, and as they shook our hands, they would press messages into our palms about their family members in prison and other personal tribulations imposed on them. We were deeply moved by the faith and courage of the Romanian believers.

My colleagues and I brought to the attention of the Romanian government specific cases and specific issues where we hoped to see positive movement by that government. The Romanian government never answered a letter the three of us sent on July 16, 1985, nor a follow-up telegram of September 12, 1985.

In view of the continuing reports of religious persecution and harassment, we concluded that a stronger reaction was needed. Therefore, on October 22, 1985, we introduced H.R. 3599, a bill to temporarily suspend MFN to Romania for six months. We are pleased that an identical bill, S. 1817, was introduced in the Senate on November 1, 1985, by Senator Paul Trible and Senator William Armstrong.

Under our bill, Romania would be placed "on probation" for six months. During this time, the Administration would assess whether progress was being made concerning religious freedom and human rights. Positive action on the part of the Romanian government would permit MFN to be restored. Our bill, therefore, would not provide for the permanent lifting of MFN.

Despite our bill and other legislation relating to Romanian human rights, the Administration approved another year-long extension of MFN for Romania on June 3, 1986. Although the Administration expressed concern about Romania's human rights violations, it takes the view that continuing MFN provides leverage to promote broader civil liberties in Romania.

But if this is true, why have human rights violations and restrictions on religious liberties intensified during 11 years of MFN trade benefits for Romania? A temporary suspension of MFN should be enacted now in order to convey to the Romanian government that the United States will not conduct business as usual as long as religion is being persecuted in that country. Since continuing MFN has failed to bring about genuine improvements, temporary withdrawal of MFN is the only way to get that government to realize that it is in its own best interest to permit true freedom of religion.

We should be mindful of the fact that trade with Romania under MFN has been virtually a one-way street. In 1985, Romania exported to the United States about $949.7 million worth of goods, yet imported from the United States only about $206.5 million worth of goods.

So Romania is reaping large benefits from MFN and having to do little to earn them. To make this bitter pill more palatable for the United States, the Romanians "sugarcoat" it each year by releasing a few political or religious prisoners and increasing the number of emigrations. Real reforms or policy changes do not occur.

This year is no exception. Much attention will be paid to the latest batch of emigrants and to a few human rights cases, yet the repression will continue. The Romanian government will laugh all the way to the bank.

Although with some reluctance, the Administration has in fact decided to extend MFN. The Romanian government will not be moved by mere expressions of concern or more critical human rights reviews. The only way to get their attention is to temporarily suspend MFN.

The way to implement the temporary suspension of MFN is for the Subcommittee on Trade to act favorably on H.R. 3599, or a similar bill. I would urge the Subcommittee to send such legislation as quickly as possible to the full House for a vote. Given the rising Congressional and public interest in the status of freedom in Romania, the full House of Representatives should be given the opportunity to vote on MFN for Romania.

A vote to temporarily lift Romania's MFN status would be the most effective way of using U.S. trade leverage to bring about improvements in human rights in that nation. I thank the Subcommittee for holding this hearing today, and I urge the members to approve H.R. 3599. Now that the Administration has acted, it is up to Congress -- and most specifically, this Subcommittee -- to use the influence of the United States to help bring religious freedom and respect for human rights to Romania.

Chairman GIBBONS. Thank you, Mr. Hall.

Our next witness on our list is Mr. Smith, unless you have come to some other agreement. Mr. Smith.

STATEMENT OF HON. CHRISTOPHER H. SMITH, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF NEW JERSEY

Mr. SMITH. Thank you, Mr. Chairman. I appreciate the opportunity to testify before the Trade Subcommittee and commend you for convening this important hearing.

I have always believed that human rights are indivisible. They are God-given, not man-made. Respect for the human rights of their citizens by the countries of the world isn't optional. Clearly it is fundamental and is the only legitimate basis for genuine trust and friendship in bilateral relations. While the Jackson-Vanik provision of the 1974 Trade Act cites emigration policy as the chief criteria for conference of MFN, I believe the broad array of interlocking human rights must not be overlooked or trivialized. Indeed, the lives and futures of many people depend on how well we utilize the considerable leverage at our disposal.

As you know, Mr. Chairman, the President reported to Congress on June 3 that he has decided to continue MFN for Romania for another year. I think it is very significant, however, that he said he made this determination "with difficulty" and noted that he was

> disappointed by the Romanian Government's very limited response to numerous expressions of strong U.S. public, congressional, and administration concern about its performance in areas of human rights and religious issues . . .

The President said he

> share(s) the strong concerns manifested among the public and in Congress regarding the Romanian Government's restrictions on religious liberties.

According to the most recent Presidential report to the Helsinki Commission on which I serve, for October 1, 1985, to April 1, 1986, "Romania's observance of basic human rights continues to be poor."

The Communist authorities in Bucharest continue to restrict and control the right of religion, free speech, free assembly, and association. The Romanian Government officially opposes emigration and there are numerous family reunification cases that still await resolution.

Having said that, Mr. Chairman, let me note with guarded optimism recent progress in solving some of the hard emigration cases—progress that I hope is not intended just to coincide with our Government's review of MFN.

In the last few weeks, Bucharest officials have indicated that over 1,000 of the 1,800 pending emigration cases would be solved. Several religious prisoners have been released from jail and will emigrate to the West, including Constantin Sfatcu, Dorel Catarama, and Emil Moranu. In March, Beni and Buni Cocar, both Baptist ministers who had been continually harassed for their faith and efforts to promote the Gospel, were given their walking papers and are now in the United States. Of course, we all celebrated when Father Calciu, who had been imprisoned a total of 20 years, was allowed to emigrate to the United States last summer.

Clearly these developments can be construed as some progress, but many of us who are deeply committed to this cause fear that once MFN is assured for another year, the Romanians may, as the U.S. Helsinki Watch Committee puts it, "lapse back into its previous disregard for human rights . . ."

That, Mr. Chairman, must not be permitted to happen, and all of us together can be instrumental in seeing that it doesn't.

Last year, Mr. Wolf, Mr. Hall, and I introduced H.R. 3599—a bill to suspend MFN to Romania for 6 months. I believe this legislation provides the Congress with the means to closely monitor Romania's performance year round and to take substantive, direct action if reforms do not occur.

I am happy to say that 88 Members have cosponsored the bill, and as the three original sponsors, Mr. Hall, Mr. Wolf, and I are serious about pursuing this issue with persistence and determination.

I hope your subcommittee will move quickly to mark up the bill in the coming months especially if Romania's apparent reforms prove to be nominal and of a cyclical nature only.

I hope we have your assurance, Mr. Chairman, that this year it will not be business as usual, that you will continue your leadership in pressing Bucharest to live up to its Helsinki obligations not just in word, but in deed.

Let me also note here, Mr. Chairman, that I think it is regrettable that the President, in his Presidential determination regarding MFN, makes no mention of numerous human rights violations occurring in the People's Republic of China, particularly its obscene intrusion into the most intimate affairs of family life.

Members of the committee will recall that last year the House voted 289 to 130 to condemn the People's Republic of China's one-child-per-couple population policy, with its reliance on coercion and forced abortion, and called it a crime against humanity. That shameful situation has not changed, and evidence suggests it is getting worse.

In hearings before the Foreign Affairs Committee, on which I serve, Judith Banister, chief of the China Branch, U.S. Census Bureau, testified last October 31 that the policies of "required abortion * * * are still being implemented" throughout the country.

John Aird, a retired Census Bureau specialist on population policy in the People's Republic of China, said a few weeks ago, "China is not easing up * * * the Chinese program remains coercive * * *"

Clearly, Mr. Chairman, within the past 2 years, the evidence has multiplied that there is coerced abortion and that these are not isolated instances, but rather are, in fact, an integral part of the one-child-per-couple policy.

In an incisive three-part expose of the People's Republic of China program, Washington Post reporter Michael Weisskopf wrote last year, and I quote in part:

> Publicly, they claim to rely on the powers of persuasion and education, exercising a policy of voluntary consent.
>
> But a closer and longer look reveals a very different picture. China, to be sure, is curbing its population growth, but its success is rooted in widespread coercion, wanton abortion and intrusion by the State into the most intimate of human affairs.

The size of a family is too important to be left to the personal decision of a couple," a high People's Republic of China official told the Post. "Births are a matter of economic planning, just like other economic and social activities. A couple cannot have a baby just because it wants to."

Weisskopf goes on to say in his article:

> Faced with strong popular resistance, Peking resorts to even stronger measures. To this struggle, it brings the full powers of a totalitarian state, operating without fear of political opposition. There is no check on official abuse, no outlet for human rights complaints and no forum for public debate of the policy.

Finally, the article continues: "Any mother who becomes pregnant again without receiving official authorization after having one child is required," and I repeat, "is required to have an abortion, and the incidence of such operations is stunning—53 million from 1979 to 1984 . . . a 5-year abortion count approximately equal to the population of France."

According to anthropologist, Steven Mosher, who initially broke the story on what is occurring in the People's Republic of China, 90 percent of these 53 million abortions were involuntary during the second and third trimester.

Mr. Chairman, I believe this committee should focus attention on these hideous crimes against humanity and consider ways of linking human rights with trade to press for reforms. Let us stand with the oppressed, not the oppressor.

I thank you again for conducting this hearing and look forward to your questions.

Chairman GIBBONS. Thank you, Mr. Smith.

Mr. Wolf.

STATEMENT OF HON. FRANK R. WOLF, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF VIRGINIA

Mr. WOLF. Thank you, Mr. Chairman.

I will submit my full statement and try to keep my remarks brief. I will jump around to make a couple of points.

One, we are not asking the Romanian Government to break with the Soviet Union and allow NATO forces to be placed in Bucharest. That is not what we are asking for today. What we are asking for is they respect human rights. I think all Americans involved in Romania—diplomats, religious leaders, and business groups—should face this human rights problem seriously.

You all know about Father Calciu, 21 years of suffering in prison, tortured, beaten, starved, harrassed, and after 21 years they let him out, and we declared a victory. He had a right to get out without all this back and forth.

Father Palfi, Roman Catholic priest, got up one day and said Christmas should be a holiday. He was arrested by the secret police, beaten around the liver, and died in 2 months. They falsified his death certificate. All of this because he said that Christmas should be a holiday.

Two years ago, they turned off the heat in the hospitals, young babies died in incubators because the heat was turned off because the Romanian Government wanted to conserve energy. There are so many documented cases of violation of human rights that we cannot even begin to cover it here today, but the CIA and the State Department can give you that for the record.

I am disappointed, and I could talk for an hour on why I am so disappointed on the State Department's position and the administration's position on renewal of MFN.

I heard Mr. Pease on the floor the other day. He made a great statement about the trade deficit. We have a trade deficit with Romania, and yet they violate human rights, turn Bibles into toilet paper, they beat up priests, and yet we give them this trade advantage with most-favored-nation status.

Ion Pacepa, who was the highest ranking intelligence officer to defect from the Soviet bloc, said this: "The West's support of Romania over the past 17 years has not brought about any change in terms of the economy, the standard of living, or human rights. Romania's political police are the most oppressive in the entire Soviet bloc."

He goes on to talk about Romania's close relations with Yasir Arafat, the leader of the PLO, which has been known for terrorism around the world. Pacepa relates various stories about life at the top in the Romanian Government, a copy of this article was sent to every member of the subcommittee. His book will come out in a couple months, which will document these things in greater detail.

My last comment is this—these people understand only one thing, strength. Verbal slaps on the wrist will not alter domestic policies in Romania. Anatoly Shcharansky said, "Weak agreements only make those suffering behind the Iron Curtain despondent. They are taking a tough line on the front. The least Western diplomats can do is remember them between the caviar and cocktail parties." [1]

I am suggesting that this committee can send a message behind the Iron Curtain to the people in Romania. Many people will come and tell you how things have improved, they will tell you they have allowed people to leave, and that is important. But what about allowing them to stay in Romania, to stay with their husbands, their wives, their children, in their own homes with their families? What about allowing them to further their religious beliefs and continue to stay in their homeland?

I did not speak to one person in Romania who spoke against their country, not one person. They all just said they wanted the right to be free to practice their religious beliefs.

I join Tony Hall and Chris Smith in asking you to move this legislation ahead. The only time we get any improvements for the people of Romania is when the Congress begins to act or people begin to scream. Perhaps you should pass it and have it ready to go so that if they don't continue to make the improvements, you can use this authority and if they do make improvements then the measure would be unnecessary.

I think the three of us will gladly say if they live up to these human rights agreements, we would stop pushing the legislation. But if they don't, I would ask the committee to pass this to help the people behind the Iron Curtain. There is no big lobby in the nation for the Romanian people, there just isn't. There aren't that many Romanians in America.

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[1] Wall Street Journal, June 4, 1986.

So you are not going to be bombarded by the Romanian people concerned about their husbands, wives, children, sons and daughters back in Romania. It is an issue that is not going to generate a lot of activity but—by taking this action and continuing, you are going to help a lot of people.

I want to thank the committee again for these hearings.

[The prepared statement follows:]

Testimony
of
Representative Frank R. Wolf
before the
House Ways and Means
Subcommittee on Trade

June 10, 1986

Mr. Chairman, I commend you and the subcommittee for holding these hearings on renewal of Most Favored Nation trade status for Romania. I am pleased to join my colleagues, Representatives Chris Smith of New Jersey and Tony Hall of Ohio, today to testify regarding Romania. It is time we take a hard look at our foreign policies and how those policies can influence human rights guarantees.

Last year, I joined Congressmen Smith and Hall in a fact-finding trip to the Socialist Republic of Romania and was deeply disturbed by that experience. Illustrative of the extent to which the Romanian people are repressed was the degree to which they were so thrilled to see us — total strangers — but we were Americans and that, to them, promised some hope for their plight. As I walked through the crowds at the churches I visited, many of the townfolks would press up to me, and as they shook our hands, they would press pieces of paper into our palms which were pleas for help to get them out of the country.

The tragedy in those messages was underscored as we met with individuals who had been persecuted and tortured by the Romanian Government because of their religious beliefs and their desire to emigrate. We rejoiced last fall with the release and emigration of Father Gheorghe Calciu who had been imprisoned in Romania for a period totalling more than 21 years because of his Christian belief. But his suffering illustrates the human rights abuses in Romania. During his imprisonment he had been beaten repeatedly and was forced to beat more inmates. This was part of a "reeducation" prison and he was subsequently the only inmate spared death by firing squad.

For refusing to take a factory job and deny his priesthood, he was subjected to periods of 10 days each during which he was given no food, no water, no heat, and no clothes. At the end of those periods when convulsing violently, he would be given two days' worth of food and then put back on the 10 days of deprivation. This went on for 100 days. The Romanians wanted to keep him alive to break him. At the end of the 100 days, Calciu countered the Government's efforts by going on a hunger strike of his own. When his death appeared likely, the security forces admitted Calciu to a hospital — again, they needed to keep him alive.

Father Calciu's situation is just one well-publicized example. I have also learned that in the cold of last winter, the Romanian Government turned off the heat in hospitals to save money and infants in incubators died as a result. The Government also refuses to acknowledge newborn children until they are two weeks old because the infant mortality rate is so high. In winter, they do not document births for four weeks after actual delivery.

While I was in Romania, I visited a church which had been destroyed by Government bulldozers. Since then I have learned that the engineer in charge of construction of the church not only lived through seeing the church demolished, but was arrested and interrogated. During the interrogation, he was put in a body press and squeezed until unconscious. When he came to, he was interrogated further and put in a rubber suit which was then filled with water. In it, he was beaten with a stick. The rubber suit filled with water kept any marks from appearing on his body although he again was beaten untilunconscious. He was subsequently dumped by the police in an underground area of Bucharest. He later revived and managed to get home.

An elder at the same church was beaten on the soles of his feet with a rubber stick. Then, with his hands tied together, he was hung from rafters and the Government security forces continued to beat him. He was put into a "torture machine", an electrical black box of sorts where only his head was out. While questioning the elder, this black box would continuously punch different parts of the body.

I point out these examples to graphically and tragically illustrate what type of government we are supporting in allowing Most-Favored-Nation trade status and renewing it year after year without question.

Quite frankly, I was disappointed with the Administration's recent announcement of its plans to renew MFN for Romania for next year. There are too many unanswered questions and, unfortunately, there are too many lives being destroyed and rights being violated for us to not seriously review MFN for Romania.

I'd like to take a moment of the subcommittee's time to point out several matters of particular concern regarding the Administration's statement on renewal of MFN. In announcing the MFN renewals in three countries, the Administration defends Romania's MFN in well over one page of its two-page statement and in so doing, I believe there is acknowledgement that the issue of Romania's MFN status is controversial.

Secondly, several statements in the Administration's renewal notice deserve comment:

1) In extending MFN, the Administration says, "These agreements continue to be fundamental elements in our political and economic relations with those countries, including important exchanges on human rights and emigration matters."

I would like to suggest that if the situation in Romania demonstrates a success in this regard, then the status of foreign policy and U.S. influence abroad is in serious trouble. The only times we have seen any constructive action regarding these matters has been in conjunction with congressional or executive Branch actions -- to wit, the Senate Finance Trade Subcommittee held hearings on MFN last July and Romania announced its decision to release Father Calciu. The Senate Foreign Relations subcommittee held hearings in March on Romania and Romania announced the release from prison of Beni and Buni Cocar. This distinguished subcommittee marked up the trade bill and consideration was given to including a temporary suspension of MFN, and Constantin Sfatcu was released from prison in Romania. The President neared his decision on renewal of MFN for Romania and Romania announced the release of Dorel Catarama and allowed 1000 Romanians to emigrate.

While Romania may have a knee-jerk reaction to actions in the Congress, the commitment to human rights is short-lived. In the same month that Father Calciu was were imprisoned. Sfatcu and Catarama have been released, however, four Baptist youths in Timisoara were beaten in May and two remain imprisoned. This is not leverage, this is not justice, this is a mockery of everything Americans stand for.

When asked his biggest disappointment since being freed from the U.S.S.R., Soviet dissident Anatoly Shcharansky recently replied:

"I'm disappointed by the nonunderstanding of the Soviet Union. People think: 'They are playing with the same rules as we are. Let's give them this, and they will give us that.' But the Soviet system is built on absolutely different principles." (U.S. News and World Report, May 19, 1986). Continuing to pursue a policy based on a misguided concept of leverage without strong action ensures that those suffering in Romania will continue to do so with the economic blessing of the United States.

2) The statement of MFN extension by the Administration also states: "Granting of MFN gives U.S. companies the ability to compete in those markets." I do not dispute that this is a positive benefit for American businesses; however, the comprehensive benefit is realized only by the Romanians who get their cake (economic support) and eat it too (continuation of domestic repression). It is important to note that the U.S. has a trade deficit with Romania of 1 to 4.8.

3) The White House also stated: "The Romanian Government's efforts to discourage religion should not be allowed to overshadow the widespread practice of religion in Romania that, especially among the Protestant denominations, is growing faster than in other countries of Eastern Europe." Let the record show, we are not discussing freedom of religion when you read statements like that. Rather we are seeing a government's attempt at state-controlled religion and proliferation of churches whose pastors are employees of the government, paid by the state, who carry the official state banner in regard to religion. If my history serves me correctly, it was for purposes of seeking a place where they could worship freely without government intervention or control that prompted our forefathers to risk the Atlantic, death, and the unknown in search of freedom's shores.

4) In boasting of improvements in the areas of human rights, religious freedom and emigration, the White House statement fails to mention that every Christian who has been released has also had to leave the country; those who emigrate do so only because they are not allowed to remain Christian and stay in Romania.

Ion Pacepa, the highest ranking intelligence officer to defect from a Soviet-bloc country, has stated: "The West's support to Rumania over the past 17 years, since its spectacular reaction to the Soviet invasion of Czechoslovakia, has not brought about any change in (Romania President Nicolai) Ceausescu's policies toward his own people, in terms of the economy, the standard of living, or human rights. Rumania's's political police are now the most oppressive in the entire Soviet bloc. The ratio of security forces to the total population is one to 15, higher than that in any Western jail." (The Washingtonian, December 1985).

5) In addition, not mentioned in the White House statement is any reference to Romania's underground activities in the U.S., espionage efforts or links to terrorism as outlined by Pacepa: "Rumania's close relations with Yasir Arafat, the leader of the Palestine Liberation Organization, opened the way for personal cooperation between DIE (Department of Foreign Intelligence) leaders and Hanny Hassan, the chief of the PLO security department. Specially trained PLO teams were used to carry out terrorist acts, which only Hassan knew were undertaken for Rumania. Paramilitary training schools were organized in Rumania for training Greek and Spanish Communist-party members for terrorist and guerrilla-type operations. Although the foreigners were trained under the direction of the Rumanian military forces and the DIA (Rumanian military intelligence), the DIE utilized them for spotting foreign professional criminals. The Greek Communists were useful in recommending Greek and Turkish terrorists."

Mr. Chairman, I realize that my statement is lengthy, and I appreciate your time. I urge you and the committee to consider comments made by those who have been on the inside of the Communist machine — Shcharansky, Pacepa, Calciu and others. I would urge you to consider Romania's efforts, the timing of any of their announced prisoner releases, emigration reforms and so forth. These people understand only one thing — strength and action. Strong words and verbal slaps on the wrist will not alter repressive domestic policies in Romania. Strong action will. Mr. Chairman, we cannot control the internal politics of another nation, nor do we seek to — we just ask this subcommittee to recognize that we underwrite the tortures, the policies, the deaths and repression in Romania when we voluntarily continue the economic support provided under continuation of MFN. Anatoly Shcharansky reminded us: "Weak agreements only make those suffering behind the Iron Curtain more despondent. They are taking the tough line on the front; the least Western diplomats can do is to remember them in between the caviar and cocktail parties." (Wall Street Journal, June 4, 1986).

Mr. Chairman, I urge passage of H.R. 3599 to suspend MFN for Romania for six months.

Again, I appreciate your time and consideration of my views.

Chairman GIBBONS. Let us try to document as reasonably as we can the events that you say happened. When were churches bulldozed?

Mr. WOLF. We attended a number of them. You have on your panel here Jeff Collins, with Christian Response International. He can document each and every church. We attended a number of the churches. We visited them, we spoke at them.

Chairman GIBBONS. Did you talk to any Romanian officials about having bulldozed churches? Did you get any explanation from them as to why some churches were bulldozed?

Mr. HALL. The only explanation we got, when we raised the question a number of times, they kept saying they violated the building code. That was the explanation, they violated the building code. We asked them if they violated the building code, then how come you bulldozed the church?

Mr. SMITH. There was one particular pastor in Bucharest who along with his parishioners built their church and renovated it, but the bulldozers came, demolished it. He had sought permission from the Government to put a roof over the heads of the parishioners because it was a leaky roof. There was a piece in the Post last November which further documents this harassment. Those Christians that are being harassed primarily are those who are not among the recognized cults. There are 14, as you know, denominations that are recognized by the Government. Before World War II, there were over 60 denominations in Romania. That has been collapsed to the number of 14, and any group that is outside the perimeters set down by the Government are in for a hard time.

The Cocars and many of the churches that have been bulldozed are usually part of the evangelical wing of the Christian church given to proselytizing and spreading the gospel. If the Helsinki accords mean anything, if we are going to take those accords seriously, I don't think we should allow people who do speak out, carry Bibles in their cars, and because they are not recognized as one of the 14 cults, to suffer this kind of harassment, including the bulldozing of their churches.

One of the interesting footnotes of Constantin Sfatcu, who was arrested on trumped-up charges and convicted of murder, is that his crime was having Bibles in the back of his car. He was one of those who thankfully has been released from prison and will be coming to the United States. If he really was a murder suspect, I can assure you he would not have been granted his freedom. The simple crime that particular individual committed was having Bibles, and he didn't have permission to have those Bibles. Again, this is in violation of the Helsinki accords.

Chairman GIBBONS. Let me ask, do any of the three of you have a list of the church sites and the dates or places where churches were bulldozed?

Mr. WOLF. Yes, Mr. Chairman, we do. I have right here a series: Reformed Church of Brazar, Baptist Church of Bistrita, Giulesti Baptist Church, a whole series we will submit for the record.

Chairman GIBBONS. Would you place them in the record at this point so we can examine each one of them.

[The information follows:]

CEASE REPRESSION OF RELIGIOUS LIBERTIES

1) Release Christian Prisoners of Conscience: Dorel Catarama of Oituz, Ilie Neamtu of Ploesti, and the four Brethren layleaders -- Nicula Levi, Cornel Mich, Elisei Rusu, and Ilie Dociu.

2) Cessation of demolition of churches and restore churches damaged or confiscated by the Government: Reformed Church of Brazar, Baptist Church of Bistrita, Giulesti Baptist Church of Bucharest, Cimpia Turzii Pentecostal Church, Baptist Church of Blaj, and return of the house built by Petre Popescu to the Baptist Church of Gaujani-Rimnicu Vilcea.

3) Authorize construction of new sanctuaries or larger facilities for the following churches: Second Baptist Church of Oradea, Hateg Baptist Church, Resista Baptist Church, Pentecostal Church of Medias, Tirgu-Mures Pentecostal Church, Pentecostal Church of Timisoara, Baptist Church of Marghita, and Tiganesti Baptist Church in Alexandria.

4) Resolve building problems presented to the Government by the following churches: Baptist Church of Crusovat (Caras Severin), Baptist Church of Bucosnita (Caras Severin), Baptist Church of Girdoaia (Mehedinti), Baptist Church of Obirsia-Closani (Mehedinti), Baptist Church of Filiasi, Baptist Church of Fratos Tita, Baptist Church of Cetate, Baptist Church of Motru, Baptist Church of Pades Closani, Baptist Church of Negreni (Cluj-Napoca), the Baptist Church at Teius, the Baptist Church in Aiud, and the Baptist Church of Arad-Bujac.

5) License these Pastors: Daniel Cedean and Stancu Dragomir of Deva, Ilie Tundrea of Bucharest, Daniel Chivoiu of Bacau, and Viorel Codreanu of Ipotesti-Suceave.

6) Official State recognition of the Romanian Greek Catholic Church (Uniate Catholic Church) and Church of the Nazarene denominations and authorize the following individual churches (which are part of the Baptist Union already recognized by the State) to function legally: the Second Baptist Church of Brasov, Bethany Baptist in Timisoara, Voluntari-Bucharest Baptist Church, and the Baptist Church at Orzesti.

7) Cease harassment and inconveniencing of Christians who have the government's permission to participate in religious activities as illustrated by the following examples: 1) the prohibition for 80 Romanian Christians to leave Otepeni Airport on June 17, 1985 to go to East Germany, for which they had received transit visas; 2) the harassment, detainment, strip search and confiscation of personal articles in January 1985, of American pastor Sam Freind who ministers at the Second Baptist Church of Oradea and the subsequent denial of entry of Rev. Freind in July of 1985 despite his many previous trips to Romania; 3) the firing of Baptist Mrs. Florica Farcas who was fired from her position as French teacher after a 12 year career

simply because of her Christian faith; and 4) the denial of an entry visa for Rev. Don Kyer who had travelled in Romania for many years prior to the 1983 government action.

These incidents give credence to reports that in December 1985, the Romanian President declared an end to development of close contacts between foreign Christians, Romanian Christians and ties to Romanian churches under "Decree 408" and that churches found in defiance of this law would be in danger of losing official recognition status. This activity is in direct violation of Helsinki Accords guarantees of human contacts and must be ended immediately.

8) Cease threats and attempts of physical violence against individual church leaders such as these suspicious incidents: the full speed ramming of Rev. Peter Dugulescu's car of Hateg Baptist Church by an empty city bus in an intersection at which he had the right-of-way; the ramming of Rev. Vasile Talos' car of Sfinte Treime Baptist Church of Bucharest by a military truck; death threats against Paul Negrut if he continued to evangelize and others such as Aurel Florea of Rupa, Father Stephan Gavrila of Vrancea and Pastor Stephanut of Brali Baptist Church in Bucharest.

The West is fully aware of the extent to which Romanian officials persecuted and tortured Father Gheorghe Calciu for ten years because of his religious convictions and is aware of the circumstances surrounding the death of Catholic priest Father Geza Palfy after he advocated December 25 be designated an official state, non-work holiday. These are not isolated incidents as underlined by continuing reports of deaths, disappearances, beatings and arranged accidents of religious leaders at the hands of Romanian government officials.

9) Permission to export into your country 100,000 Cornilescu Version Bibles per year as a gift as well as an adequate number of Hungarian language Bibles and permission of American groups such as Choice Books of Fairfax, Virginia, to provide Christian literature in Romania legally.

10) Allow for the printing of religious materials by Romanian Protestant groups for use by Romanian Christians.

Chairman **Gibbons**. Does it include the location of the church enough so we could investigate and find out?

Mr. **Wolf**. We can add that location. It has the name of the town. We will try to get more information for you.

On the matter of Bibles being turned into toilet paper—was it an edict from the Government that Bibles be turned into toilet paper? Do we have any proof the Government ordered the turning of Bibles into toilet paper?

Mr. **Hall**. I don't think we have any proof that a statement came down from the Government saying this would happen, but it is documented from the standpoint that Bibles were sent into Romania. It is widely known in Romania and outside of Romania, people that followed the case, that in fact Bibles were turned into toilet paper. I don't think anybody denies it.

Chairman **Gibbons**. Was it a governmental action, or was it a so-called private action?

Mr. **Hall**. Mr. Chairman, I don't think on any of these kinds of human rights violations that you are going to see anything that you can pin directly on the Government. You know, when they beat up prisoners in jail, they don't beat them up around the face, they beat them up around other parts of their body, so when they get out, you don't see the injuries. You are not going to see directly that the Government either through a statement or through any kind of other public action that, in fact, they said "Let's take these Bibles and turn them into toilet paper."

It is like the case with Father Calciu, they did everything in the world when Father Calciu was in jail 21 years. And his case became well known to the world. They originally said "We can't starve him to death, let's figure out a way to get rid of him", so they sent three of the toughest prisoners in the jail in to kill him, because then it couldn't be blamed on the jailers, it would be blamed on the killers. After 3 hours, the jailers came back expecting to find Father Calciu dead, and, of course, the blame couldn't be placed on the Government; and instead of finding him dead, they found all four of them on their knees praying.

The point I am trying to make is you can't prove that they sent three convicts in to kill Father Calciu, but he is alive today and has told the story to many people. I believe it. You cannot deny, I don't think anybody can deny four diverse human rights groups, including our own State Department, saying the same thing over and over again.

And we spoke in those churches that were bulldozed down. That is not hearsay, we saw it. We heard the people, we saw their pleas, we saw their eyes, we felt them. We can't say to you and we can't give you a Government document that says, "bulldoze that church down, turn those Bibles into toilet paper." We don't have that.

Chairman **Gibbons**. Where were the Bibles turned into toilet paper? Was it a manufacturing operation, or was it something that spontaneously took place? Did any one of you witness the turning of Bibles into toilet paper?

Mr. **Wolf**. Mr. Chairman, let me just comment on that. I did not witness it, but I have the toilet paper here other groups have given us.

Second, you were in Congress during the Watergate situation—I tell you nothing happens the leadership doesn't know about. Nothing happens in the Soviet Union the Politburo doesn't know about. Obviously, the Government knew about it. We have a statement here—I think the members may want to look at these different statements. From words appearing on the toilet paper, it can be established the Bibles were the 1957 edition printed in London. On one roll of the toilet paper, there were 16 Biblical fragments in which the words and numbers can be established. We can submit this for the record.

Chairman **Gibbons**. I don't doubt that toilet paper may have originated from Bibles, but what I am asking is do you know whether it was a State action or some individual's action or some group's action?

Mr. **Smith**. I think the chairman would agree, there is no manufacturing facilities in Romania that are free markets and run by the private sector in the way we understand the private sector. All provisions are essentially controlled from authorities within Bucharest like most other Communist nations, and it would be hard to believe this kind of thing occurred without at least some knowledge by some——

Chairman **Gibbons**. Were these Bibles collected from individuals and turned into toilet paper?

Mr. **Smith**. My understanding is they never got to the intended recipients. Large numbers of Bibles have been confiscated. I mentioned the case of Sfatcu, and there were others whose Bibles were confiscated.

Chairman **Gibbons**. Of course, these are serious matters, and I am not making light of them. There have been churches bulldozed in Tampa, FL, often to the objection of the parishioners, to make way for public facilities and things of that sort. And so it is not a pleasant thing to talk about, they are not pleasant things to view. And what I am trying to put in here is to establish what was actually done.

I regret that anybody turned a Bible into toilet paper, whether it be an individual action or State action, but I am trying to find out whether it was an individual action or State action.

Mr. **Wolf**. Mr. Chairman, the one church we went to was off the main street. Obviously, it was not at the center of any intersection, and they destroyed half the church.

In reference to the Bibles, I have a statement this gentleman gave me, the first shipment of the 10,000 Bibles was sent in 1972, following the General Assembly of World Reform Alliance in Nairobi, Kenya, when the president of the alliance initiated the gift. In the fall of 1981, another shipment of 10,000 was presented. I don't think any of us could say clearly they did, but I think little happens in that system—we aren't able to go any place unless the Government said we could move across the street, it seems, so I don't think Bibles like this will be turned into toilet paper unless the Government gave official sanction. They may regret having done it, but I think they knew what they were doing.

Chairman **Gibbons**. But as far as you are concerned, you have no direct evidence the Government did it? I am not trying to put words in your mouth.

Mr. **Wolf**. I don't have but—I don't have any direct evidence that the KGB arrested Shcharansky either, but he says they have.

Chairman **Gibbons**. They put him in a jail, so it is obvious the Government had something to do with running the jails.

Mr. **Smith**. Mr. Chairman, 2 weeks ago I had a lengthy conversation with the Metropolitan of Transylvania, a high-ranking member of the orthodox church, and I asked him if he or any of his brother priests made any representation on behalf of Father Calciu, who I trust you also believe was in prison because of his religious beliefs and his commitment to human rights, who was released and is now here in this country. You, like myself and my colleagues, had the great honor of meeting him.

The Metropolitan said, "Well, no, I didn't, nor did any of my brother priests or bishops", and I said, "Well, why not?" Part of our belief in being our brother's keeper is that we speak up for one imprisoned, particularly when it is done so on false pretensions. He said, "His crimes were political, and we never cross that line," I said "How do you know they are political?" He said, "I had a piece of paper from the Government, from the prosecutor's office which said that he had committed political crimes."

I said, "Was there any independent investigation on your part or on that of your hierarchy to determine his guilt or innocence?" He said, "No". They accepted the word of the Government.

The problem is that in a closed society, it is very hard to find links. We could stand here and say that maybe Father Calciu was guilty of political crimes, and yet free speech is included in the Helsinki accords. I would suggest to you that it is very hard to find a piece of paper that will link directly the Romanian authorities to some of these atrocities, particularly some of the tortures that people like Father Calciu have endured.

But we know it occurs. A reasonable man can look at this preponderance of evidence. The fact that so many churches have been bulldozed, and my colleague has submitted for the record a list, the fact that so many of those ministers and pastors who are outside of the recognized 14 cults had been singled out for harassment. We know that people we talked to in Oradea and elsewhere had to go through hell and harassment by the secret police, merely for having spoken to us. We all know there is an internal policy that if you speak to a foreigner, you are at least called in for questioning. Some of the people we met with were harassed for days because of those meetings. This is clearly in contravention of the Helsinki accords.

What we need to do here in this room is not look to have a specific shred of evidence because it probably doesn't exist. We all know in the Soviet Jewry issue, people like Gorbachev will claim that all Jews who want to leave can leave. They will bring out to the microphones people with Jewish sounding names who will stand there and say there is no one who wants to leave.

When I was in Moscow, I met with members of the Politburo and others who told me, "Show us, where are the papers of these people who want to leave?" They control the whole apparatus, and that is the problem we are facing.

I would hope we would look at the preponderance of evidence, the fact that there are patterns of abuse when we observe the situation within Romania. As Mr. Wolf indicated, we do have Mr. Pacepa——

Chairman GIBBONS. I am trying to look at the preponderance of evidence, and that is why I ask questions as to what you know. What do you know about this? Where was the toilet paper manufactured? There must have been a plant. What do you know? We got a whole lot of witnesses out there, and I am going to ask every one of them the same kinds of searching questions. What do you really know about it, or what have you been told by responsible people? I don't doubt somebody made toilet paper out of a Bible. What I want to know, was it some individual's action, or was it a governmental action?

Mr. SMITH. Mr. Chairman, one of those who will testify will give the exact location where it is expected this was manufactured. He will be coming soon after our testimony.

Chairman GIBBONS. Mr. Crane.

Mr. CRANE. Thank you, Mr. Chairman.

I want to commend my colleagues for their testimony and for their legislation which I have cosponsored. I have gone further, not in the range your legislation proposes because I have not singled in on the PRC or Hungary, but I would go further by cutting off any manufacturing with Romania.

Let me ask you some devil's advocate questions though, that invariably you get from the stripe-pants set at the State Department. They are argumentative, of course, in behalf of this is what would the United States be able to do in terms of influencing Romania in any positive way, both with regard to hoping to establish a degree of autonomy and independence from the Soviet Union, and, second, with regard to promoting emigration and human rights within Romania if we didn't extend MFN to them. In other words, if we went so far as my legislation went, what influence could we possibly have in a positive way?

Mr. HALL. I am not sure there would be—we asked the question of the persecuted Romanians that we talked to—we asked the question, if we would take MFN completely away, would you be in favor of it? Would it hurt the cause? What would happen?

And they thought about it for a long time, and they were divided on the question. They said it would hurt more than it would help. Some people said take it all away, it doesn't matter because it isn't going to do any good anyway because we have had to face persecution for all these years since this Government has been in power. Other people said if you go a little bit but don't take it completely away, such as the bill we have introduced that is presently before you, they said it would get their attention.

Nothing has been able to get their attention thus far, and every time MFN comes up, the Romanians always make a grand play by releasing a few thousand people. Now this year they have probably released more because there has been more attention on it, because through your efforts, Mr. Crane, through the efforts of some Senators and efforts of the Congressmen over here we have been able to focus on the issue for the first time. So they feel that it will help if we don't take it completely away.

And the three of us, we don't ever want to see this, our bill that is before you, we don't want to really have it take effect, we would prefer it not, we would prefer they be more open, we would prefer they would come to us a little more than what they have. They have not answered our letters or communications of any kind, and we have set out in a systematic way, the three of us, with Christian Response to do certainly things over the next several months.

First we send a letter, then a telegram, then speak directly, indirectly, we go through a series of steps. The next step we introduce the bill, et cetera. Nothing has been able to get their attention except this subcommittee and the administration, which has said that in fact they are going to take another look at it.

So I hope that is a proper response to the question.

Mr. CRANE. If, for example, Romania did not enjoy most-favored-nation treatment, do you think Romania would continue to trade with us?

Mr. HALL. I think they probably would.

Mr. CRANE. I think so too. They have an enormous balance of trade in their favor. They exported about $1 billion to us, and we were able to export only about $300 million worth of our goods to them. So it seems to me that it is certainly in their economic interest to try and maintain good relations.

Now I have other legislation besides cutting off MFN to them. I would cut off credits, I would cut off trade, period, with them. And not just with them, incidentally, but if one accepts the logic, using MFN as a mitigating influence on the atrocities perpetrated by that government against its own people, doesn't it logically follow we ought to give MFN to every Communist country? I mean Cuba has permitted more people to emigrate since 1979, frankly, than Romania has. Should we give MFN to Cuba?

Mr. HALL. We didn't establish the policy of giving MFN to Romania. Our bottom line is the people of Romania, that is the bottom line. We are not experts in the trade field. I don't purport to be one, I don't know if my colleagues do. Our bottom line is there is a severe problem that we have in Romania, and we do have leverage, and the leverage is MFN, which we don't want to take it away completely, the three of us don't, at least. We have leverage. The fact they had MFN was not our policy in the first place. The bottom line is how can we best use that leverage to help the people that we know are being persecuted? This is our way of doing it.

Mr. CRANE. Now, your protest that you registered through your legislation, and I have through your vehicle, as well as some more stringent proposals, would appear to be working, and maybe this is all academic because we had a State Department emissary that made a trip over there, and the New York Times on June 3 reported that there was an escalation of 1,000 new people that were granted the right to emigrate or at least apply. We don't know whether they will carry out the pledge to guarantee they will get out.

Then there are some releases from prison, which states three out of five were people who had been in prison for religious reasons. So it would seem that maybe this whole exercise today is academic, because now we all have the demonstrable evidence Romania, in response to our objections, is improving its stance with regard to emigration and human rights and eliminating at least some high profile cases of their outrageous persecution. What do you think?

Mr. **Wolf**. Let me just add to what Congressman Hall said. The three of us sent a letter asking Foreign Minister Andrei to resolve a couple of these issues. When we were over there, we were very polite, we expressed our concern—we never got a response back.

I agree with what Tony said. We were not driven to pass this legislation just to take MFN away. We don't want to bring any greater hardship on the people than they are already under. I mean, I made the comment at the outset, I understand geography, and where they are—on the border with the Soviet Union, and we can't break them away. I understand that.

But we want to see them change, to continue our economic assistance. And so there has been a lot of movement in the last month or two, but why wasn't it happening earlier? And perhaps what I think you might want to do is have legislation ready, report it out of the subcommittee and put it in abeyance to see if progress continues. If improvements continue, fine. But if it doesn't continue, maybe do something.

I agree with what Tony said, you know more about trade than I know. I respect this committee's judgment on those issues. By you holding the hearings and by all the efforts that have been done, there has been some progress. They think this is just a show, and if you are going to pull back, the progress will stop. If you make it clear you are going to continue to watch and do something, I think it will continue.

Mr. **Crane**. In your collective judgment, do you think MFN has been responsible for, one, the posture militarily of the Romanian Government to prohibit forces—their forces—from participating in Warsaw Pact maneuvers? Do you think that was instigated by MFN?

Mr. **Smith**. I think it plays a part and has had an impact on emigration policy. As I think all of us would agree that has been good, but the expectations that many of us have had over the years have not been realized.

Added to that, as I pointed out in my opening comments, it is a cyclical nature. I would concur with what Mr. Wolf said. That is why reporting this bill out or reading it or a facsimile of the bill for markup will continue the process. We are hoping this won't be the annual lightening up period, and then in mid-August or sometime thereafter, they go right back to their old ways. I can't stress that enough.

As you pointed out, Mr. Crane, a few moments ago, trade is very important to the Romanians. They are trying to build up their foreign exchange reserves. They are trying to eliminate their foreign debt. They had a surplus of $2.5 million last year, in 1985, and about $743 million of it was with us. The balance in trade is very beneficial to that country. We are significantly enhancing their posture economically. I think that it is really not in our interest to be doing business with the Romanians since it is so one-sided. The Helsinki report points out that they are promoting the idea of accepting payments for United States firms and counter-purchase of Romanian goods, so the hard currency doesn't go out of the country. It is very one-sided when you talk specifically about trade.

What we are looking to get out of this is an improvement in human rights. The beauty of the bill and other types of calibrated responses is that we keep the pressure on year round and when we come around to September and October, we don't have to wait until June to see some movement again.

Mr. CRANE. Following this same logic, if MFN has been responsible for the alleged independence of Romania from the Soviet Union, notwithstanding their common border, and in the political arena the independence of Romania in defying certain dicta of the Soviet Union, and, in fact, even condemning the Soviet Union for its invasion of Afghanistan, doesn't it logically follow if it works there that it presumably would work anywhere? Why are we denying all these blessings to the free world by failing to grant MFN to the Soviet Union itself? Obviously, it is a good thing with totalitarian communistic dictatorships.

Mr. SMITH. I would only say that I am sure there are those who would like to see MFN conferred on some of these countries. The Soviet Union hasn't met its obligations either the number of Jews allowed to emmigrate is at one of the lowest points since emmigration began.

Mr. CRANE. To be sure, but Vietnam has a good track record based on Romania's track record, and Cuba.

Would you assume that granting MFN to Vietnam and Cuba would produce comparable results of independence, political independence, military independence, and concessions with regard to human rights observances and maybe they would stop using chemical warfare on Kampuchians? Who knows? We might have that kind of progress.

Do you really believe that?

Mr. WOLF. I don't want the record to be vacant here. I want to be on record opposing giving MFN to Cuba. I also oppose giving it to Vietnam. There are still potentially American boys alive over there. As for the Soviet Union, there are 4 million people in the Soviet gulag slave labor camps who are making products that are being shipped throughout the West. So, I would not favor giving MFN to Cuba, Vietnam, or the Soviet Union. I feel very strongly about that.

Mr. CRANE. I thank you gentlemen again for what you have done. I think you have made a major contribution.

One of my legislative assistants, I know, made that trip with you. I was unable to do so, and I regret it. But I got a first-hand report from him that confirmed what you have related here today. Frankly, I think that government has to be one of the greatest obscenities on the face of this Earth.

Thank you.

Mr. PEASE. Thank you, Mr. Chairman.

I, too, would like to express appreciation of our colleagues for testifying today. Human rights violations in Romania have been a concern for a long, long time. I think what you have heard the chairman groping for, and the ranking member groping for, is some basis for comparison. I guess that is what I would like to concentrate on this morning.

Do you have any feel for Romania's record over a period of years, say, over the last 10 years, in terms of religious rights and other human rights freedoms? Is it your impression they have been getting better or worse in their treatment of evangelicals, in their emmigration policy, or whatever, over the last 10 years?

Mr. **Smith**. There is some evidence for certain denominations that there have been some advancements. The Roman Catholic Church recently got a bishop, Bishop Robo, officially installed. He had not, nor had any other bishop, held that position for a long time. There are over 2 million Roman Catholics in Romania, so this was of significance.

The point we are trying to bring home to this committee is that for the 14 cults—and Roman Catholicism is one of those recognized denominations—as long as they stay within very carefully defined parameters and allow some of their salaries to be paid for by the Romanian officials, they accede to the wishes, and never speak ill of the Government.

We met with just about all the leaders of the sanctioned cults, or denominations, and all of them said renew MFN. They carry a lot of water with the Romanian Government. But, for those denominations outside of acceptance, they have to go through a great deal of harassment, including, as we talked about, bulldozing of churches, and their ministers are often harassed. Many are intimidated.

I think one of the things many of the Communist countries have learned post-Stalin is that selective terror works very well. When generation after generation lives under the dictates of communism, after a while massive purges are not needed; selective terrorism will do. They make the emmigration process so difficult as a disincentive for people to begin the process. Applicants know they are persona non gratis when they apply, whether it be Czechoslovakia or Romania. They renounce their citizenship, they lose their jobs. The Government makes it very difficult, and that kind of selective harassment of emmigration applicants affects all in the end.

Mr. **Hall**. I think what you will see is that there appears to us to be growth among the evangelicals in Romania in the past few years. Where there is this growth of spirit, I suspect that it creates competition in the minds of the Communist power, the Communist rulers. It scares them because they think this competition is another type of political force. It is not. It is a competition of people growing in their faith and growing in their spirit.

The evangelicals of Romania and all over the world, they are not preaching that the government should be eliminated. They want to be left alone to pursue their own faith. So where there is a spark of growth of faith among the evangelicals, the Romanian Government comes in and tries to suppress it in such a way. People know that when you try to suppress Christians, when you push this Christian down, 10 are going to pop up over here.

That is what has happened. As they push harder, 10 more pop up. They don't know what to do about it, I suspect. So, what they are doing is they are pushing and pushing and pushing, and this faith is getting stronger, and stronger in Romania. And this poses a lot of problems. It shouldn't.

We tried to point this out to them. These people want to be left alone to pursue their faith and their religion. That is it, period. We want to help them. I think that is what is happening.

Mr. **Pease**. I am curious, Tony. We just heard Mr. Smith say a minute ago that the Orthodox Church does ask to be left alone and does stay by itself; it doesn't get involved in politics. Apparently, that is true of the Roman Catholic Church, also. They are on the approved list.

Did you pick up any indication at all as to why evangelicals are being singled out for persecution when you say all they want is to be left alone?

Mr. **Hall**. I didn't hear exactly what Chris Smith said.

The Orthodox Church, the Romanian Orthodox Church of Romania, is a state church, and in many of the cases the members of that church are in the hip pocket of the Government. Many of them are on the payroll of the Government. Their salaries are paid in kind by the Government. They preach what the government says they can preach.

And where you see, in countries all over the world, the church and the Government going hand-in-hand, like they have in Romania, you won't see a spirit. And that is what has happened. There is no competition there from the standpoint of how the Government perceives it.

Mr. **Pease**. I see.

Well, let me ask you another question about relativities. You are calling in your legislation specifically for suspension of MFN for Romania.

What about the other Communist countries that get MFN, China and Hungary? Is the situation in Romania worse than it is in China or Hungary; and is that the reason why you make the distinction calling for suspension for Romania but not for the other two?

Mr. **Wolf**. Mr. Pease, let me answer that.

Frankly, I went to Romania. Before I went, if you had talked about Romania, I don't think you could have gotten my attention. I am first to acknowledge there was suffering and human rights violations going on, and I didn't know about them. If I read about them in the paper, I didn't remember them. That is why I understand if it is not in your veins and you cannot feel it and smell it and touch it—because it didn't impact on me.

My reason for being here is because of the trip, and just meeting with those people. Just to read a couple of things, I would urge the Members to read Pacepa's piece which we submitted. He said within the Soviet bloc religion is considered to be even more dangerous than capitalism, because faith cannot be destroyed through political administrative measures, such as the nationalization of capital.

Then he goes on to say the Roman Catholic Church, because of its close tie to the faithful, its historic ability to mobilize large population groups, its huge international membership and its financial power is considered by the Communist governments to be a serious threat.

Another reason is terrorism. He talks in one case—and I won't go through the whole thing—the program editor of Radio Free Europe, Hugh Pucheska, had orders to be killed, was brutally stabbed 22 times on July 28, 1981, and barely escaped for his life.

I think—my own answer is, because of first-hand experience and concern, that is why I take this view.

Mr. **Pease**. I appreciate that.

So none of the three of you is representing that you have looked at all countries and all situations and concluded Romania is the worst, and therefore you are essentially doing this out of your personal experience having visited there?

Mr. HALL. Yes, sir.

Mr. PEASE. Let me ask you one final question along the same line, more for subsequent witnesses than for yourselves. I would hope as we have other witnesses come before us, they might help us make these distinctions.

You are apparently concentrating on religious freedom as a human right. I am wondering about violations of other human rights. In Chile, for example, I suspect there is not very much religious persecution, but there is a lot of suppression of free speech and that sort of thing. And yet, Chile has MFN treatment.

Am I correct that you are focusing particularly on religious freedom? If that is the case, do you think we also ought to look at other types of human rights, as well?

Mr. HALL. The thrust of our trip, when we went to Romania, and since has been the religious freedom. That is what we went over to see and talk about.

Taking a look at that system and looking at the various human rights reports, you will see the human rights abuses go way beyond freedom of religion. As far as I am concerned, it all goes together.

Freedom of religion is important to us because that is what we concentrated on. But freedom of civil liberties and all kinds of freedoms are being denied in Romania. There is no question about that.

Mr. SMITH. I think you make a good point and your question is well put regarding Romania vis-a-vis the other countries of the world. We have an entire list of types of responses that this country can take relative to human rights abuses in other countries.

I mentioned the People's Republic of China and their violations relative to the family. They commit serious violations in the area of religious freedom. Our hope is that the situation may change, but that is only hope. There has been little concrete evidence that denotes a change.

There are different ways of responding. Our country has responded by withholding funds to a UN agency managing its program. It triggered a minimal response. Perhaps additional efforts have to be taken. We have taken efforts relative to the Philippines in the past—when I say "we," I mean the U.S. Government, of course—and other countries that have committed violations.

El Salvador, we linked continued economic and military help for that country to progress, demonstrated progress, in human rights I think we need to look at each country separately and determine how can we best use the tools that we have at our disposal to press for a relaxation of oppression and, hopefully, for a pro-human rights posture.

When you look at Hungary, Hungary has made some real progress, and immigration is not really a big problem there. You look at some of the other countries that Mr. Crane, I think, alluded to: Should we provide for Czechoslovakia and these other countries? They have many serious problems like the Soviet Union.

I, like Mr. Wolf, would say that we shouldn't provide MFN. We have a list of responses that from our perspective is an appropriate response at this particular time, to maximize benefits for the people.

Mr. Pease. Thank you very much. I think you have expressed your positions exceedingly well. I appreciate it.

Thank you, Mr. Chairman.

Chairman Gibbons. Yes, sir.

Mr. Schulze was the first at the meeting today.

Mr. Schulze. Thank you, Mr. Chairman.

I first would like to express my admiration and respect to you three gentlemen for the work you have done and you are doing. I think it is right. I think your statement, that you went to Romania without preconceived ideas and had in effect this position forced upon you, if I am not putting words in your mouth, is about the way I first became involved with the issue. And I congratulate you on taking the time and energy to follow through and do what you have been doing.

Mr. Hall, when you testified you stated that people surreptitiously passed you messages and notes. Why would they have to do that on the sly? Why couldn't they openly discuss the issue?

Mr. Hall. Well, I think we have probably already answered that question. It is the kind of system that has been in place for so many years. It is the kind of society where the people can't speak out; they cannot move freely about. We were followed everyplace that we went. So many of the relatives of people that we talked to, they had either been put in prison or their family members had, and there was just no way that they were given freedom.

Mr. Schulze. Freedom of ordinary conversation with whom—is this with other individuals within the country, or is this only because you were from outside the borders?

Mr. Hall. I suspect it is from within the country, as well. Even within the church services that we went to, we were told that there were agents of the Government watching every move everybody was making. As the people would come up to us, they would hug us; they would just practically weep; they would be stuffing things into our pockets, into our hands. It was the only way they could have contact with us.

We tried to visit as many churches as possible. I think we spoke in four churches in a very short time—in various parts of the country, not just in the capital.

Mr. Schulze. While you were there, or since, have you looked into at all the secret police operations in Romania?

Mr. Hall. I have not looked into it.

Mr. Schulze. Let me suggest, if you have some time you might find it very enlightening to pursue that.

In response to the chairman's questions in regard to bulldozing churches, something we did look into some time ago, of course the budget of the church is controlled by the state, and if there is an older church which is falling into disrepair and the leader of the church, or the minister or priest, goes to the Government and requests money for repairs, and that is refused for year after year after year, and the church falls into disrepair, then it becomes, quote, unquote, a "hazard," and then the bulldozers move in and tear it down.

Now, is that a nice, official Government function? Sure it is. We are protecting the health and safety of the people. But, when it becomes a pattern, is it a pattern of distinctly trying to stamp out religion? It certainly is. And even to the casual observer it is pretty obvious that that is being done.

Jackson-Vanik specifically talks about emigration. While you were there, did you have the opportunity to look into the process the ordinary citizen would have to go through in order to emigrate from Romania, and if so would you describe that to us?

Mr. SMITH. The process usually is a difficult one. It often entails a loss of job for family members or prohibits going to the university. A person who applies for immigration is considered to be very much against the nation and, in essence, is renouncing their homeland.

Mr. SCHULZE. There used to be a pre-emigration form which caused a great deal of consternation, and we put a lot of pressure on to eliminate it.

Is this still in effect? Before you decided to emigrate, you had to go to the local police station—not some other function—you would go to the police station and get a pre-emigration form. Is that still in effect?

Mr. SMITH. That, I am not sure. But there has been at least one bit of progress made in the area of immigration. Mr. Derwinski is to be credited for helping to negotiate the memorandum of understanding.

A couple years ago a situation developed whereby a person who had applied to immigrate would be given his or her passport, and very often with the knowledge by the Romanian officials that the emigre had not yet been approved for a visa by this country. This would make them persona non grata at that particular point, unable to care for themselves and get a job. In so many cases, they were not going to be approved by this country for immigration purposes.

There was also the problem—I had this happen to people within my own district—whereby they were given their passport after they became noneligible under U.S. immigration laws. A pattern was established, but the Romanians have pledged they are trying to clean up some of those problems and be more truthful and forthcoming to those to whom they plan to issue passports. That has been worked out and can be accredited to former colleague, Mr. Derwinski.

Mr. SCHULZE. Several years ago when I introduced a resolution of disapproval for MFN, Romanian businesses in my congressional district which did business with Romania were contacted, and in a relatively heavyhanded manner were told to either talk to me or pressure me into changing my position or else the contracts would disappear or the bills wouldn't be paid, that kind of thing. I thought that was pretty crude, heavyhanded. And, as a result, not only it didn't change my mind but it motivated me to do a little more.

Have you had any of that kind of pressure?

Mr. SMITH. I think all of us have had some contact with business communities within our states that have said essentially what you are saying—it is good for their businesses; it is good for local jobs. I don't find that particular argument persuasive. I think that the almighty buck should not be made at the expense of human rights, especially when we do have this leverage.

Could I get back to something you asked before? I, too, had notes stuffed in my pocket and a few people said to me, one woman with tears in her eyes, "I have got to talk to you but I can't." She walked away because she feared an interrogation that others have told me would happen if she spoke to me directly.

It is a matter of state policy that people cannot approach foreigners, particularly Congressmen, for purposes of conversation. In one church we attended I was told by a very articulate man, a lawyer, who said: "It is not the way it looks here. You see us all praying and you see all of these smiles. That is because of our faith. It is not because of freedoms that we enjoy. Those of us who speak to you will be brought down to the office of the consul later today, and we are going to be interviewed, interrogated and harassed for a period of time." They will ask, "What did you talk about? What was the nature of your business?"

He said, "I am used to it. I can handle myself. But for many people it is a very frightening experience."

Mr. SCHULZE. So, in your opinion, the bottom line won't take any more time—is that emigration is not becoming freer; it is not being facilitated in Romania.

If you had to judge, would you say it is becoming more free, it is the same, or it is less free?

Mr. SMITH. People are immigrating, but with great difficulty. The threat of suspension of MFN, or possible revocation, has helped to continue this pressure. If we went to a 3- or 5-year renewal stage or review, I think we would see progress on the third year or fifth year or whenever we conducted that review.

It is important, again using the tools at our disposal, to maximize the pressure with the very serious intent that we will revoke if necessary, or will certainly suspend MFN. Suspension would be a clear shot across the bow indicating that we are serious in our undertaking.

Mr. SCHULZE. I thank you for your testimony, and again I congratulate the three of you.

Chairman GIBBONS. Mr. Frenzel.

Mr. FRENZEL. Thank you, Mr. Chairman.

I, too, thank you for your interest, for your trip and for your report thereon. When was this trip made?

Mr. HALL. It was made in July, June, the last part of June, early part of July of last year.

Mr. FRENZEL. How long were you in Romania?

Mr. HALL. I believe about 5 or 6 days.

Mr. FRENZEL. Tony, when you indicated that you had tried to communicate with the Government after your trip and the Government did not respond, to whom did you direct your letter?

Mr. HALL. We directed our letter to the Foreign Minister, Mr. Andrei.

Mr. **Frenzel**. Did you send copies to the State Department or to our ambassador?

Mr. **Hall**. We sent copies to the embassy here, the Romanian Embassy here. I am not sure if letters were sent to our State Department, but they knew what we were going to do. I suspect they do have copies. There was a lot of other communication going on at the time. We informed them before we left, we talked about a number of cases. We had at the time about 30 cases we were interested in and on an assorted number of issues, and that we would be, after returning home, after discussing the cases, we would be sending a formal letter as to the kinds of things we would like to see movement on.

Mr. **Frenzel**. The 30 cases that you talked about, have they now been mostly resolved?

Mr. **Hall**. One of them I believe has been resolved.

Mr. **Frenzel**. Did our famous emissary from the State Department carry the list with him? Were your 30 cases made part of the U.S. effort in Romania?

Mr. **Hall**. Yes, they have. And they have said that they have also, have talked about these cases in a number of places. The State Department all along, I would say, up until the administration's OK'ing another year of MFN, has been, I would say, a cheerleader on the side. They have been, I can't say with us, endorsing us 100 percent, but it is kind of one of those things when you say one thing, but wink in another fashion. And this is one of the few occasions I have seen as a former member of the Foreign Affairs Committee where there has been a lot of support for our efforts in the State Department.

Mr. **Frenzel**. In each of the cases that you discussed, did you submit them in the formal way through our embassy in Bucharest first?

Mr. **Hall**. Yes.

Mr. **Frenzel**. Thank you. Your bill provides for terminating MFN for 6 months?

Mr. **Hall**. It does.

Mr. **Frenzel**. You would like to see us put that in line for passage rather than to see it whip through the Congress immediately?

Mr. **Hall**. Would you state the question again?

Mr. **Frenzel**. Did I understand that from your testimony or did I misunderstand you?

Mr. **Hall**. I would like to see it on the floor. As a matter of fact, when the trade bill came to the Rules Committee, I had talked to Mr. Gibbons and his staff, and through Mr. Russo I was going to attempt through Mr. Russo to bring this up as an issue to be put in the trade bill, and Mr. Gibbons suggested that since you hadn't had a hearing on this for quite some time, that it would be better to wait, and we would have a hearing, which we have right now.

At the time I had talked to members of the Rules Committee about the possibility of offering amendments on the floor to the trade bill to make our legislation in order, and at the time I had the votes to do it. And I felt very confident if I could get this issue to the floor. I felt I would defer to the committee system, after talking to my colleagues, that we would go forth with the hearing and inform the members of what we had seen.

Mr. **Frenzel**. Thank you.

Chris, you indicated that the progress recently made coincides with the annual MFN review. My question is: if we are without MFN, are we then without one of the most important means of persuasion we have?

Mr. **Smith**. We may be, which is why the bill, H.R. 3599, is suspension and not revocation. I have not called for it—and I don't speak for my two colleagues—but I don't believe we should revoke MFN at this particular time.

Mr. **Frenzel**. Does not suspension have the same effect? For instance, once you break down the relationships of buyers and sellers, it is a little hard to get them cranked up, particularly in a year-by-year situation anyway.

Mr. **Smith**. You are correct, and I think it demonstrates the seriousness with which we are approaching the issue in 1986. The President himself in 1983 threatened to revoke MFN if the education tax was not done away with, and he certainly got the attention of the Romanians. They did not carry forward with plans to extract a large amount of money for the education of those who wished to emigrate.

Again, I would repeat, I don't think we should revoke, but suspend this privileged trading status. It would be a very serious step, as you say.

Mr. **Frenzel**. I recall the education tax. Most of the members of this committee have been to Bucharest more often than they have been to Nice or Rio or even Hawaii, because of the emigration problem. Yet it seems to me the annual review has proved over the years to be effective for us in maintaining the flow of emigration.

Mr. **Smith**. Mr. Frenzel, I would reiterate one reason for the bill. I think it is important to pass it in the committee and be able to get it in lighting speed onto the floor, where it was at least approached with a thought of possible passage. That would the Romanians that they must keep their feet to the fire in addressing the human rights issue because there is something waiting in the wings that would have a deleterious effect on their economy.

I think it is important that we not simply wait again until next June. There has been suggestions by some of the human rights groups that a 6 months' review would be more appropriate and would keep the pressure on. That is what we are looking to do. We are hoping that, as Mr. Wolf said earlier, the bill could be withdrawn. I don't want to go forward with it.

Nonetheless, it is a matter of necessity based on what has happened to so many people I can tell you that when the three of us met with Father Calciu and spent 3 or 4 hours speaking with him, looking deep into his eyes, knowning of the cruelty he had suffered and knowing of the kinds of things the Romanian secret police are capable of and have perpetrated upon so many religious dissidents, we were determined to use everything at our disposal in order to pressure the Romanian Government. A 6-month review perhaps, or having this bill waiting in the wings, is part of a constructive process.

Mr. **Frenzel**. It is good to use all the persuasion that is at one's command. Yet, on the other hand, the idea of a continuous process of power hockey or keeping some entity's feet to the fire has been often conspicuously unsuccessful. That is, if a nation has some feelings of virility or of a desire to control its own destiny, and I refer here to the U.S.S.R. and our emigration problems there, that they ultimately tell us to bug off. I think there is a point at which you stop applying force and have to start treating people like sovereign nations. I agree that the process so far has been successful.

In any case, I am very grateful to the panel for its testimony. Mr. Chairman, I have some more questions which I will place with the members directly. I notice we have a distinguished representative of a foreign government, Senator Trible, before us, and he would like to be heard.

Mr. **Wolf**. If I could make one comment. One, if maybe the staff or somebody in an informal arrangement could get together with Mr. Pacepa who is the defector, perhaps maybe spend an hour or two with him, it would be helpful. I want to thank you, the entire committee. You have taken a lot of time. You have given us a lot of time, and I just really want to personally thank you so much.

Chairman **Gibbons**. We thank you, and we thank you for—would any of the other panel members like to add anything in closing? We appreciate your taking the time to go to this country, make the investigation, and I for one encourage you to go back.

The history of Romania is a very troubled one from time immemorial, and religious persecution in that country has been going on since time man can record.

I witnessed some of the Eastern European problems 40 some years ago when I was in that part of the world, and I have been back since. Staff has supplied us with some emigration figures which, of course, is the main thrust of Jackson-Vanik, or the Trade Act of 1974, and raw figures alone don't prove everything. But it seems that when we started this matter in 1975, right after the Trade Act of 1974, emigration from Romania was about 6,900 people per year.

The figures we now have, and if you have any other figures, we would like to have them, is the emigration is up to 17,300.

As I say, figures alone don't prove everything, but at least there is outward appearance that more and more people are getting up enough courage to get out of the country. I don't know, but when I have talked to Romanian officials, I asked "Why don't you let everybody go that wants to go?" That would be my way of conducting affairs. That is what Castro did, he said anybody who wants to get out of Cuba is welcome, get out. And they did. Mariel is the last example of that kind of exodus.

Do you all have any kind of figures about Romanian emigration?

Mr. **Hall**. I can only say, Mr. Chairman, and members of the subcommittee, the thrust of our discussion today, the thrust of the bill that is before us, has not been to deal with Jackson-Vanik, it has not been to deal with emigration, yet that is part of the human rights problem, it has been to deal with the denial of human rights, specifically the denial of freedom of religion in the country.

So our whole time that we have spent on this has not been on emigration. Numbers are deceiving, we are not denying numbers of people are being allowed to emigrate at this time, but it is interesting that what we are stressing is that most of these people want to stay within their own country, they want the freedoms to practice their own faith. And we are not here really stressing the Jackson-Vanik amendment. We are stressing MFN, we are stressing the religious freedoms.

Chairman Gibbons. Thank you, gentleman.

The Honorable Paul S. Trible, the Senator from Virginia.

STATEMENT OF HON. PAUL S. TRIBLE, JR., A U.S. SENATOR FROM THE STATE OF VIRGINIA

Senator Trible. Mr. Chairman, thank you.

Chairman Gibbons. Glad to have you here.

Senator Trible. I'm always happy to receive a warm welcome when I return to the people's House.

Let me ask that my full statement be made part of the record. Let me make a number of points and respond to some of the questions raised by this committee, and then I would be happy to respond further to concerns or questions you may have. I appreciate the opportunity to testify in these hearings. I want to focus my remarks on MFN treatment for Romania.

Over the past decade, the script on Romania has been played with numbing frequency. The U.S. decision on Romania's MFN status is made by the President in June. Several weeks prior to that, Romania takes a half step toward civil anticipation. It refrains from destroying a church. It releases a priest from prison. It permits modest amounts of emigration. Romania promises American diplomats that such steps are the beginning of a new enlightened era. Ceausescu swears that the human rights situation will improve.

As a result of these growing pledges, the United States again extends Romania's MFN benefits. And then each and every year, the heavy hand of the Romanian state descends on the Romanian people and on the Christian Church. When will we see through this charade?

Again this spring, just like clock work, Romania promises expanded emigration, and then the State Department recommends the extension of most-favored-nation status for another year. But, Mr. Chairman, the harsh reality of Romania remains the same. Romania is one of the most antireligious and oppressive regimes in the world, and her people continue to suffer. That is why I believe we should suspend business as usual, as Congressmen Wolf, Smith, and Hall have recommended.

Now I know that you will hear from the State Department witnesses, witnesses from the administration. I have heard them testify before, and I am sure they will advance many of the same arguments here today, and I would like to anticipate those arguments and respond to them as effectively as I can.

Proponents of MFN point to Romanian independence in the world. I would suggest to you, Mr. Chairman, and to this committee that Romanian policy independence is mythic. It is illusory. In 1974, perhaps a case could be made, but not today. Not today. We will hear that General Vessey, for example, visited Bucharest. That is true. But it is also true that Romania took part in military maneuvers with the Warsaw Pact troops in 1984 and 1985.

We will hear today that Romania may have walked out of some key votes at the U.N. That may be true, but the reality, gentlemen, is that in the last session of the U.N., in total votes cast in plenary session, Romania voted with the United States just 10.1 percent of the time. That is lower, lower than Hungary, Bulgaria, Poland, East Germany, Czechoslovakia, and the U.S.S.R.

We will hear that Romania sent its athletes to the Olympics. Indeed, they did. But we should also hear that there are very direct, real and powerful ties between the DIE, the secret police in Romania and the KGB, that Romania's secret police is largely responsible for the pursuit of Western technology, that Romania's secret police is actively involved in the training, the financing and the provision of logistical support to the PLO and to other terrorist organizations.

We should also hear that there is a higher ratio of secret police to population in Romania than any other country in the world, and as this committee well knows, the reality is Romania is one of the most Soviet-tied nations on the globe in the organization of its economy, in the use of forced labor, in the oppression of its people.

I believe that should count in our deliberations, that that should weigh heavily on all of us as we make these decisions that have become so routine and so easy. But to the extent there is perhaps some merit to the argument that Romania has a measure of independence, I would say so what? Romania as an actor in international affairs is of minimal consequence, at best. What real influence does Romania have on any issue? What role does Romania play in the Middle East or in arms reduction or in human rights? The reality is that Romania is a nonplayer.

So why does Romania's so-called independence really matter? It does not. It does not exist, but to the extent that it exists for the sake of conversation or debate, it simply does not matter in the politics of this world.

I would suggest most respectfully, because this committee I am sure has focused on this question year in and year out, and as the chairman has said, you have traveled to Romania many times, that once you establish the marginality of a nation in terms of strategic interest, that then moral questions ought to play, and they ought to play heavily and centrally in what you do. And by any moral standard, Romania flunks. It fails the tests that are the essence of the American experience, and we simply ought not to be doing business as usual with this kind of country.

There is only one good thing one can say about Romania, and that is one can argue that their emigration policy is more liberal than it once was. What should be our objective, Mr. Chairman? Do we want to get more people out of Romania, or do we want to improve the plight of Romanians in Romania? I would suggest that we should look at the reality of Romania, that that ought to count more in our deliberations.

Let's look at the emigration statistics. You can play a lot of games with numbers. But I note that in 1974, the year before Romania received MFN status, total emigration was 12,591, that in the last year, 1985, total emigration was 17,350. In 10 years of most-favored-nation status, emigration numbers have increased less than 5,000. And yet the repression of Romania remains.

In the first 6 months of this year, Romania permitted a grand total of 717 people to emigrate to the United States, 717—but as these hearings approach, as the time for the President to once again decide whether we should continue most-favored-nation trade status for another year, Romania comes forward and says, "We are going to permit an additional 1,092 people to leave Romania."

When are we going to see through this charade? I believe it does matter that the people are allowed to leave, but by any objective standard, if you compare Romania's experience before MFN and today, there is no substantial difference, no difference. If you look at the life of the people, the life of the people that live in the darkest and coldest capital in Europe, the life of the people that tried to worship God and live their life unfettered from interference of their government, it is dismal, it is miserable, it is an oppressive environment.

It seems to me that there are times that that should really matter, especially when we are doing business with a country that in the great scheme of things in the world simply doesn't matter. So I would submit this for your thoughtful consideration.

I appreciate the generosity of the chairman in permitting someone from the other body to come over and say just a few words, and I really must yield to your experience and your expertise. But I must say, gentlemen, the time for business as usual has long passed. Let's not go through this charade and game once again. Let's strike out in a new direction, a policy that may work, or it may not work, but even if it fails to work, the people of Romania will be absolutely no worse off. But if it works in any fashion, their life can only improve.

Thank you, Mr. Chairman.

[The prepared statement follows:]

STATEMENT OF HON. PAUL S. TRIBLE, JR., A U.S. SENATOR FROM THE STATE OF VIRGINIA

Mr. Chairman, I appreciate the opportunity to testify today on the question of most-favored-nation trade treatment of certain nations. As you know, I have a strong interest in MFN status with respect to Romania, and I will focus my statement on that particular issue.

I'm pleased that the subcommittee is devoting so much time to this question, although I regret the circumstances under which we are meeting. For just last week, the administration recommended that Romania's special trade privileges be extended for yet another year.

This decision was profoundly disappointing, but it is nothing new. Over the past decade, the script on Romanian MFN has been replayed with numbing frequency. The U.S. decision on Romania's MFN status is made by the President in June. Several weeks prior to that, Romania takes a half-step toward civilization. It refrains from destroying a church. It releases a priest from prison. It permits modest amounts of emigration. It promises American diplomats that such steps are the beginning of a new, enlightened era in Romania. Ceausescu swears that the human rights situation will improve, that churches will be free and bibles plentiful. As a result of these glowing pledges, the U.S. again extends Romania's MFN benefits.

And then, inexorably, the heavy hand of the Romanian state once more descends on the Romanian people, and on the Christian church.

When will we realize the true purpose of Ceausescu's annual courtship of the United States? If Ceausescu has proved anything over the past decade, it is that he cares nothing about human rights, especially religious rights. Ceausescu will release just enough priests to retain his MFN benefits, but no more.

Despite this, the administration has seen fit to grant MFN privileges to Romania for yet another year. I believe, as do many of my colleagues in the Senate, that this decision was profoundly short-sighted. The granting of MFN benefits is tantamount to a seal of approval from the United States. In light of the administration's decision, the Congress must seriously question the nature of the regime that carries, yet again, America's imprimatur. And we must closely examine the negative effects of repeated, routine renewals of Romania's trade privileges.

Religious freedom, in particular, is under siege by the Ceausescu regime. Demolition of churches in the name of urban renewal is a serious problem. Many churches are kept waiting for years without building permits, and those that build or renovate without a permit risk destruction of their parish by Government officials.

In addition, individual believers, including priests, continue to be harassed, intimidated, and imprisoned by the Government. Bibles and other religious materials are kept in short supply by the regime, making prayer meetings where believers can share such materials especially important. But those attending such meetings are subject to arbitary arrest and incarceration on charges of "illegal assembly," or "disturbing the peace," or "distributing literature without a license."

Is this the type of government to which America should accord special treatment? I think not, and I believe the Congress must act quickly to overturn the administration's MFN decision.

The United States need not be a party to Ceausescu's deception. This committee has before it legislation sponsored by Congressmen Wolf, Smith, and Hall, which would suspend Romania's MFN benefits, and I have sponsored similiar legislation in the Senate. I urge you to pass this bill quickly.

In so doing, the Congress will send a signal to Romania to take no comfort from the administration's decision to extend MFN benefits for another year. Ceausescu may once again have convinced the adminstration that he is making progress on human rights. But he has not convinced me. He has not convinced a large number of my colleagues in the Senate. And none of us shall cease trying to suspend Romania's special treatment until permanent, meaningful reforms are made in Romania's treatment of religious and political opponents.

For those suffering at the hands of Romania, the next several weeks are crucial. For us, the choice is a simple one. Will we once more rely on Ceausescu's empty promises, knowing that the result for Romania's people will be a painfully brief respite from persecution. Or will we make clear to Ceausescu, by suspending his MFN status, that his token concessions will not satisfy America's commitment to human rights and religious freedom?

I urge this committee to choose the latter course, and I appreciate the opportunity to testify today.

Chairman **Gibbons**. Senator, do you visit Romania often?

Senator **Trible**. No, sir.

Chairman **Gibbons**. Have you ever been there?

Senator **Trible**. No, sir. I would respond to your question, though, by saying that there are many ways of learning about a country. I have read about Romania, I have talked to many Romanians, I have talked to people who have left who have been subject to the persecution of which we talk, and I do plan to go to Romania, but I suspect that I probably have learned enough to pass a respectable judgment and a reasonable one on Romania today.

Chairman **Gibbons**. Mr. Crane.

Mr. **Crane**. Thank you, Mr. Chairman.

I want to commend our distinguished member, a recent loss in the House Chamber, but a stellar addition to that other Chamber.

I would agree with the Senator's assessment of the track record of Romania, and I too would share his concerns about continued favorable treatment, trade treatment, with what is in fact an irrelevant country. I couldn't agree with you more. I don't see that they contribute anything in a positive way, nor do I see that they have contributed in a positive way since the granting of MFN.

On the question of visas to the United States, my staff worked up some interesting figures, if one tries to justify MFN with Romania in terms of expanded trade and increased emigration, in 1980 there were 2,886 visas, for example, that were granted for people to emmigrate to the United States. The Romanian exports that year to the United States totaled $339.7 million, and thus the ransom broken down on a per-person basis was $117,706.

Now, the ransom in 1985 for 2,951 visas with exports totaling $950.4 million, exports out of Romania to the United States, raised that ransom per person that we are, in effect, paying with our trade to $322,060. The fact of the matter is we have a very negative trade balance that works to their advantage enormously, when that wretched economy still laboring under what is a demonstrably false set of premises has created the hardship internally for the people of Romania, and that they are desperately in need of foreign exchange in the United States is really propping up an economic system that clearly could not work without the infusion of a lot of foreign exchange from the United States.

So it seems to me, and I would like to pose this question, that we are, in effect, giving a stamp of legitimacy to a system that couldn't make it otherwise. Is that your assessment?

Senator TRIBLE. There is no question about it. I think the value of MFN status is several fold. Obviously, there are economic benefits that flow to nations with whom we have this special relationship. But beyond that, it does give these countries a stamp of approval, the imprimatur of the United States, and it indicates that this is a country we ought to be doing business with. I would suggest, in response to your question, that is not the case here.

Moreover, I point out last year was the third year in a row in which we ran a large trade deficit with Romania. The trade deficit in 1982 was $147 million; in 1983, $367 million; and in 1984, $772 million, increasing year to year over the last 3 years.

Mr. CRANE. I have some other figures here on the emigration from Cuba and emigration from Cuba, for example, in 1977 was 1,683. The figures in 1985 were up to 4,910. Now, excluding the impact of the Mariel boat people when they let 130,000 go, which would make averages of about 26,000 a year out of Cuba, if you include them, their emigration has increased roughly threefold. If you look at the comparable figures for emigration from Romania, they have gone from 11,881 in 1977 to 17,350.

In short, there is a much more substantial increase in permitted emigration in percentage terms of Cuba than there is out of Romania. Cuba, even though the figures here, Cuba's population though is significantly lower, less than half the population of Romania, totaling 11 million versus 23 million. So I think if one is trying to rationalize MFN on permitted emigration, you clearly can't make the case. There is no incentive for Cuba, and yet Cuba's emigration has increased threefold, whereas Romania's has increased about 50 percent.

There is one other point I would like to raise and ask you a question about, the International Security and Development Act of 1985 gives the President the authority to cut off any trade with any country promoting terrorism. I have had information in the past that not only has there been material support, but political support for terrorism attachments for the PLO from Romania. Is that your understanding?

Senator TRIBLE. That is absolutely the case, sir.

Mr. CRANE. At a time when we have taken I think firm and appropriate action against the beast of Tripoli, I am puzzled by the contradictory policy of, on the one hand, condemning world terrorism and passing legislation that would enable us to attempt to punish those countries that support it, and here in the case of Romania, not only are they supporting it, but we are bending over backward to give them favorable trade balances and to grant them most-favored-nation status, when it seems to me in every regard they fail to live up to at least the presuppositions behind the initiation of MFN back in 1975. Is that your understanding?

Senator TRIBLE. It is indeed.

Mr. CRANE. I thank the gentleman for his testimony. I urge him to persevere.

Mr. PEASE. Thank you, Mr. Chairman.

I would like to welcome our colleague back to the House, also, and commend him on his testimony. I don't know whether you were here earlier, Paul, or not when I questioned the previous panel, but I said what we really need from all of our witnesses is some basis for comparisons.

One of those comparisons I had in mind was the record of Romania over a period of years. I think your testimony has been extraordinarily helpful in documenting what that history is over the period of years, and in showing that there has not been any really dramatic improvement. So, I commend you for that testimony.

Also, I think your testimony as to the relative importance of Romania as an actor on the world scene is helpful, as well. That country does not matter a whole lot. So, I think that we are free to exclude a lot of geopolitical considerations from our decision here.

I was interested in some other comparisons which perhaps you can comment on. You are suggesting that we not grant MFN to Romania. Other Communist countries which have MFN include China and Hungary.

Is it your judgment, in urging that we not grant MFN to Romania, that Romania is worse than China and Hungary, for example?

Senator TRIBLE. Yes.

Mr. PEASE. It is?

Senator TRIBLE. Yes.

Mr. PEASE. OK.

Another comparison I am interested in is the human rights situation in Romania vis-a-vis——

Senator TRIBLE. Let me say, there are measures by which one can judge better and worse, and that, I guess, in large measure, is a subjective consideration.

I had primarily focused on Romania because the oppression there is so obvious and it centers on the church, on the Christian Church, which is a matter of particular interest to me; but it extends well beyond that. And, as I have tried to construct this testimony to point out, the only criterion by which Romania can be given arguably a passing mark is on emigration. In every other area, Romania would fail to pass muster.

So, it seems to me that it is important to have some relative sense of how the actors in the world community relate and compare. But I think it is also important to focus on these nations that so visibly fail in their domestic policies to meet our measure of what ought to be. And in determining what our bilateral relationship ought to be, obviously we have to grapple with strategic considerations. We also have to grapple with these so-called human rights considerations, and we have to play that out in our own mind, in our own body, in our Congress.

It seems to me here, once again, by that measure, Romania fails on both counts. It is of little strategic significance, and it fails on the human rights side.

Mr. PEASE. The chairman was asking before if you had been to Romania, and you replied no. I think the point is obvious that I made: One can get information from a variety of sources. I am sort of curious, though, what is the genesis of your particular interest in this case of Romania?

Senator TRIBLE. The persecution of the Christian Church.

Mr. PEASE. Fine.

That probably precedes your answer to my next question. I was interested in talking with the previous panel about whether they are particularly interested in religious persecution as a violation of human rights, whether they were equally interested in other human rights violations.

Chile, as an example, has a bad record in terms of political repression, probably not in terms of religious repression.

Do I take it then that you would consider of all the nations to which we grant MFN status, that Romania is the most deserving of denial?

Senator TRIBLE. I would tell you that I am concerned about any action, personal or national, that demeans the human spirit and the human condition. And, therefore, I believe that in making these kinds of public policy decisions that we ought to consider an array of actions and policies and their effect on people.

Yes, I think in looking at the Chiles or the South Africas or the Romanias or the Soviet Unions of the world, we ought to consider a host of factors, as I have delineated here this morning.

Mr. PEASE. I am glad to hear you say that. I need to talk with you about my workers' rights amendment to the trade bill which the Senate will soon be considering. A lot of countries around the world have repressed the human spirit of their workers, and the trade bill that we have sent to you contains a modest proposal which would give the United States a handle on that.

Senator TRIBLE. You send me some information, and I will focus on it.

Mr. PEASE. Very good. Thank you very much. I appreciate that expression of support.

Chairman GIBBONS. Mr. Schulze.

Mr. SCHULZE. Thank you, Mr. Chairman.

I would like to thank the gentleman from Virginia for his sincerity and his integrity and his dedication to this issue. He very ably describes the cyclical nature of emigration as it parallels the MFN process, which makes it obvious to even the casual observer it is a game being played with people's lives in Romania.

He has succinctly stated his case. Unless there is something he would like to add, I have no questions for him.

Senator TRIBLE. I thank you for your warm welcome, gentlemen. I thank you for consideration of this testimony. I look forward to working with you.

Chairman GIBBONS. Thank you, sir.

Our next panel of witnesses is: from the State Department, Hon. Edward J. Derwinski, counselor; Department of Commerce, Franklin J. Vargo, Deputy Assistant Secretary for Europe; the Office of the U.S. Trade Representative, Mr. Alan Holmer, general counsel. We welcome you and your colleagues to this meeting. We look forward to hearing from you.

I am familiar with your distinguished record here, and your distinguished record in the State Department. We are proud of you and the service you have rendered to your country.

STATEMENT OF EDWARD J. DERWINSKI, COUNSELOR, ACCOMPANIED BY THOMAS LYNCH, DESK OFFICER FOR ROMANIA, AND THOMAS COUNTRYMAN, REGIONAL AFFAIRS OFFICER, BUREAU OF EUROPEAN AND CANADIAN AFFAIRS, OFFICE OF EASTERN EUROPEAN AND YUGOSLAVIAN AFFAIRS, U.S. DEPARTMENT OF STATE; FRANKLIN J. VARGO, DEPUTY ASSISTANT SECRETARY FOR EUROPE, U.S. DEPARTMENT OF COMMERCE; AND ALAN F. HOLMER, GENERAL COUNSEL, OFFICE OF THE U.S. TRADE REPRESENTATIVE

Mr. DERWINSKI. Thank you.

I would ask my statement be included in the record.

Chairman GIBBONS. Without objection.

Mr. DERWINSKI. In view of the full schedule you have, I will be very brief.

Chairman GIBBONS. We are not trying to rush you, but we would like to complete your testimony before we adjourn here at around 12 or 12:15, something like that. And then Mr. Pease will take over at 1. And as soon as I can rejoin Mr. Pease, I will. We would like to complete you this morning.

Mr. DERWINSKI. As I listened to the testimony earlier, there is a pattern running through it, and I just think it would be practical if I addressed the obvious interest of the committee and the other panelists.

First, we should keep in mind Jackson-Vanik relates to immigration. It is not an act intended to provide for religious freedom in Romania or anywhere else.

Also, while I grant the sincerity and the special concerns that the panelists have expressed, comparisons could be made in many different ways. Romania is a Communist government. I am not aware of any country with a Communist government that has any sort of pattern in their overall policies that we really approve of.

Chairman GIBBONS. You mean first amendment rights?

Mr. DERWINSKI. Take a good look at that.

I also think, though, the key is, have they lived up to Jackson-Vanik as far as immigration numbers? And they have. And then, while Jackson-Vanik doesn't address it, there is this additional issue which we feel is important, their foreign policy postures. I deliberately used the word "posture" since they are accused of taking these positions for tactical reasons.

It is a fact the Warsaw Pact countries do not conduct maneuvers in Romania. It is a historical fact Romania didn't participate in the invasion and occupation of Czechoslovakia. This week two U.S. naval vessels will be making a call in the Black Sea port of Costanza. These are facts.

Romanian cooperation in certain areas of foreign policy has been excellent. In the United Nations there are a number of key votes on which, contrary to the other bloc countries, Romania either supports us or does not participate. I, myself, over the years, as you recall, Mr. Chairman, attended meetings of the Interparliamentary Union, and I can tell you there have been many occasions when the Romanian delegates either helped us or conveniently took a walk. Quite frankly, I can't recall that the Bulgarians ever did the same, or the Czechs.

Last but not least, we are convinced—and I can attest to this myself—Jackson-Vanik has given us a lever. I was in Romania 3 weeks ago and participated in a meeting where our Ambassador methodically presented a list of various cases of interest to us. Any case raised by a Member of Congress automatically gets attention.

We have been clearing up that list. Mr. Crane knows there is one case of interest to constituents in Illinois. Mr. Dorel Catarama was released from jail 2 weeks ago; he should be in our embassy later this week applying for his visa. We expect him to get his passport and reach the United States soon.

One could argue that the Romanian authorities do this just to maintain Jackson-Vanik benefits. I maintain it is the opposite; that Jackson-Vanik gives us the leverage by which we have been able to resolve individual human rights cases as well as keep up the immigration numbers.

I also would like to point out that Romania maintain an embassy in Israel. I would like to point out that the Governments of West Germany and Israel feel that Jackson-Vanik has been an asset in getting Romanian cooperation on immigration. Despite a slowly diminishing Jewish population, there are no complaints from the Government of Israel over the flow of Romanian Jews to Israel.

So, overall, despite the fact that they are a Communist government created in large part by our diplomatic policy miscalculations during World War II, we believe that the application of Jackson-Vanik is an asset, and we are here to support the request for the 1-year extension.

Chairman **Gibbons**. All right. We will hear next from the Commerce Department, and then from USTR.

Mr. **Vargo**. Mr. Chairman, Mr. Holmer and I, in the interest of brevity, have agreed not to make any additional statements. I am sure the facts will come out in the questioning.

[The prepared statements of the panel follow:]

PREPARED STATEMENT OF THE HONORABLE EDWARD J. DERWINSKI
COUNSELOR OF THE DEPARTMENT OF STATE
FOR THE TRADE SUBCOMMITTEE
OF THE HOUSE WAYS AND MEANS COMMITTEE
JUNE 10, 1986

MR. CHAIRMAN, I APPRECIATE YOUR INVITATION TO DISCUSS, ON BEHALF OF THE ADMINISTRATION, THE PRESIDENT'S DETERMINATION TO CONTINUE THE GENERAL WAIVER AUTHORITY AND THE SPECIFIC WAIVERS UNDER THE JACKSON-VANIK AMENDMENT PERMITTING THE EXTENSION OF MOST-FAVORED NATION TARIFF STATUS TO ROMANIA, HUNGARY, AND THE PEOPLE'S REPUBLIC OF CHINA FOR 1986-87. MY COLLEAGUES FROM THE COMMERCE DEPARTMENT AND USTR, MR. VARGO AND MR. HOLMER, WILL ALSO MAKE BRIEF STATEMENTS. I WILL DISCUSS THE SPECIFIC WAIVER FOR EACH COUNTRY IN DETAIL. MY TESTIMONY REGARDING ROMANIA WILL BE MORE DETAILED BECAUSE OF OUR CONCERN ABOUT ROMANIA'S HUMAN RIGHTS VIOLATIONS AND BECAUSE I WANT TO COMMENT ON MY MAY 26-28 MISSION TO BUCHAREST.

THESE THREE COUNTRIES ARE IMPORTANT TO U.S. INTERESTS, AND THE EXTENSION OF MFN IS CENTRAL TO OUR ECONOMIC AND POLITICAL DEALINGS WITH THEM. THE JACKSON-VANIK AMENDMENT ESTABLISHED A RELATIONSHIP BETWEEN TRADE AND EMIGRATION, BUT THE CONSEQUENCES OF WHETHER WE CONTINUE MFN TREATMENT FOR THESE COUNTRIES GO WELL BEYOND TRADE OR EMIGRATION. MFN FOR THE PRC IS A CENTRAL ELEMENT IN U.S. POLICY TOWARD EAST ASIA. IN THE CASES OF HUNGARY AND ROMANIA, CONTINUATION OF MFN HAS FUNDAMENTAL IMPORTANCE TO THE ADMINISTRATION'S POLICY OF RECOGNIZING AND ENCOURAGING DIVERSITY IN EASTERN EUROPE, AND SEEKING TO ERODE, OVER TIME, THE TRAGIC DIVISION OF EUROPE IMPOSED BY THE SOVIET UNION AFTER WORLD WAR II.

OUR POLICY TOWARD THE AREA IS BASED ON THE FACT THAT CIRCUMSTANCES IN EACH COUNTRY ARE DIFFERENT; EACH PRESENTS A DIFFERENT CHALLENGE TO CONTINUED SOVIET HEGEMONY. HUNGARY HAS MADE IMPORTANT EXPERIMENTS WITH ECONOMIC DECENTRALIZATION AND HAS SHOWN SOME TOLERANCE OF POLITICAL EXPRESSION. ROMANIA'S FOREIGN POLICY HAS PREVENTED ITS FULL INTEGRATION INTO THE SOVIET ALLIANCE SYSTEM, WITH POTENTIALLY IMPORTANT CONSEQUENCES FOR THE FUTURE EVOLUTION OF THAT SYSTEM AND PRESENT IMPLICATIONS FOR OUR OWN NATIONAL SECURITY INTERESTS. THROUGH THE STIMULUS OF THE JACKSON-VANIK AMENDMENT, BOTH COUNTRIES HAVE SHOWN RELATIVE TOLERANCE OF EMIGRATION. BOTH HAVE SOUGHT GREATER ECONOMIC EXCHANGES OUTSIDE OF COMECON: ROMANIA AND HUNGARY LEAD THE WARSAW PACT IN PERCENTAGES OF THEIR TRADE OUTSIDE OF COMECON.

ECONOMIC DEVELOPMENT CONTINUES TO BE THE TOP PRIORITY OF THE PEOPLE'S REPUBLIC OF CHINA. THE PRC IS SEEKING TO IMPROVE THE ENVIRONMENT FOR FOREIGN TRADE AND INVESTMENT, FUNDAMENTAL COMPONENTS OF ITS MODERNIZATION EFFORT, AND PRINCIPAL AVENUES FOR ITS FURTHER INTEGRATION INTO THE COMMUNITY OF NATIONS. THE PRC'S MODERNIZATION AND INTEGRATION INTO THE WORLD TRADING SYSTEM IS CLEARLY IN THE U.S. INTEREST, AND MFN TREATMENT CONTRIBUTES TO THIS. IN ADDITION, IN RECENT YEARS, TRAVEL AND EMIGRATION CONTROLS IN THE PRC HAVE LOOSENED SIGNIFICANTLY. FOR THESE REASONS, THE ADMINISTRATION STRONGLY BELIEVES THAT THE CONTINUATION OF MFN STATUS FOR THE PRC IS BOTH APPROPRIATE AND VITAL TO OUR FOREIGN POLICY INTERESTS.

OUR BILATERAL ECONOMIC RELATIONSHIP HAS MOVED TO THE FOREFRONT OF OUR DEVELOPING TIES WITH THE PRC. THE PROSPECTS ARE EXCELLENT THAT INVESTMENT AND TRADE OPPORTUNITIES FOR U.S. FIRMS WILL CONTINUE TO EXPAND AS THE PRC SEEKS FOREIGN HELP IN MODERNIZING EXISTING INDUSTRIES AND IN DEVELOPING NEW ONES, IN A WIDE VARIETY OF FIELDS SUCH AS TELECOMMUNICATIONS, ELECTRONICS, TRANSPORTATION, AND ELECTRIC POWER GENERATION.

BILATERAL TRADE HAS INCREASED DRAMATICALLY IN RECENT YEARS. U.S.-PRC TRADE REACHED AN ALL-TIME HIGH OF $8.08 BILLION LAST YEAR, AN INCREASE OF 26.5 PERCENT OVER 1984. THE PRC WAS OUR 16TH LARGEST TRADING PARTNER IN 1985, COMPARED TO 19TH IN 1984. OUR TRADE DEFICIT WITH THE PRC DROPPED SLIGHTLY, FROM $377 MILLION IN 1984 TO $369 MILLION IN 1985. SINCE 1982, THE SHARE OF AGRICULTURAL PRODUCTS IN OUR EXPORTS TO THE PRC HAS DECLINED FROM MORE THAN 50 PERCENT TO LESS THAN 4 PERCENT, AS THE PRC'S SUCCESSFUL AGRICULTURAL REFORMS HAVE DAMPENED IMPORT DEMAND. THE DECLINE IN AGRICULTURAL SALES, HOWEVER, HAS BEEN MORE THAN OFFSET BY THE GROWING VOLUME OF MANUFACTURED PRODUCTS EXPORTED TO THE PRC. SALES OF NON-SENSITIVE "HIGH TECH" PRODUCTS -- ESPECIALLY COMPUTERS AND SCIENTIFIC INSTRUMENTS -- HAVE BEEN ESPECIALLY FAST PACED. AMERICAN BUSINESS HAS NOT HESITATED TO TAKE ADVANTAGE OF THE OPPORTUNITIES FOR INVESTMENT IN THE PRC. ACTUAL U.S. DIRECT EQUITY INVESTMENT IS ESTIMATED AT BETWEEN $200-$300 MILLION. TWELVE U.S. OIL COMPANIES HAVE SPENT ABOUT $680 MILLION ON OIL EXPLORATION OFF THE PRC'S COAST.

WE SEE HUNGARY'S LIMITED BUT PERCEPTIBLE PROGRESS TOWARD ECONOMIC AND POLITICAL LIBERALIZATION AS AN ATTEMPT TO BUILD A CREATIVE ALTERNATIVE TO TRADITIONALLY RIGID, COMMAND ECONOMIC FORMS OF EAST EUROPEAN COMMUNISM. IT IS IN OUR INTEREST TO ENCOURAGE INCREASED RATIONALIZATION OF THE HUNGARIAN ECONOMY AND GREATER TOLERATION OF POLITICAL ACTIVITY. HUNGARY IS HEAVILY DEPENDENT UPON FOREIGN TRADE, NEARLY HALF OF WHICH IS WITH THE WEST. ALTHOUGH THE U.S. SHARE OF HUNGARY'S TRADE IS SMALL, WE HOPE TO ENCOURAGE ITS GROWTH. MFN IS AN IMPORTANT TOOL FOR THAT PURPOSE. IT IS A BENEFIT TO THE HUNGARIANS THAT HAS ALSO ENCOURAGED THEM TO BE RESPONSIVE TO OUR CONCERNS ON EMIGRATION AND OTHER HUMAN RIGHTS ISSUES. IN RECENT YEARS, ALL HUNGARIANS QUALIFIED FOR U.S. IMMIGRANT VISAS HAVE BEEN PERMITTED TO EMIGRATE. HUNGARY'S HUMAN RIGHTS PERFORMANCE, ALTHOUGH FLAWED, IS RELATIVELY LESS REPRESSIVE THAN THAT OF OTHER WARSAW PACT STATES.

ROMANIA PRESENTS A CONTRADICTION OF RELATIVE INDEPENDENCE FROM THE SOVIET UNION ON FOREIGN POLICY AND INTERNATIONAL SECURITY ISSUES WHICH WE RESPECT AND ENCOURAGE, AND HARSH DOMESTIC REPRESSION WHICH WE ABHOR. MFN IS IMPORTANT TO OUR RELATIONSHIP WITH ROMANIA BECAUSE U.S. INFLUENCE TO MITIGATE THAT COUNTRY'S DOMESTIC POLICIES IS LIMITED -- AND MFN IS THE ONLY EFFECTIVE INFLUENCE WE HAVE.

THE ROMANIAN GOVERNMENT'S VIOLATIONS OF BASIC HUMAN RIGHTS AFFECT ALL ASPECTS OF ROMANIAN LIFE. CITIZENS OF A EUROPEAN COUNTRY, 41 YEARS AFTER THE END OF WORLD WAR II, THE ROMANIAN

PEOPLE ENDURE ACUTE SHORTAGES OF BASIC FOODSTUFFS, GASOLINE, HEAT, AND ELECTRICITY. WE ARE UPSET AT THE ROMANIAN GOVERNMENT'S PERSECUTION OF SMALL DENOMINATIONS OF CHRISTIAN BELIEVERS WHOSE GROWTH REFLECTS A STRONG RELIGIOUS REVIVAL, AND BY THE EIGHT INCIDENTS IN RECENT YEARS OF BULLDOZING OF PLACES OF WORSHIP OF FUNDAMENTALIST PROTESTANT CONGREGATIONS WHICH ARE NOT LICENSED BY THE GOVERNMENT. INDIVIDUALS HAVE BEEN JAILED MERELY FOR CARRYING BIBLES, AND FOR EXPRESSING DISSENTING VIEWS.

THE RESPONSIBILITY WHICH WE MUST FACE AS PUBLIC SERVANTS IS IN WEIGHING THE QUESTIONS OF WHAT THE UNITED STATES IS ABLE TO DO ABOUT THIS SITUATION, AND WHAT THE SITUATION WOULD BE IN ABSENCE OF U.S. INFLUENCE. IS IT BETTER TO TAKE AWAY ROMANIAN MFN OR SUSPEND IT, AND, IN SO DOING, INVITE A BAD SITUATION TO BECOME WORSE? OR SHOULD WE EXTEND ROMANIAN MFN ONCE AGAIN AND USE THE INFLUENCE AFFORDED BY THE ANNUAL REVIEW PROCESS AND CONGRESSIONAL HEARINGS TO SEEK TO IMPROVE THE ROMANIAN SITUATION?

AS THE PRESIDENT SAID IN HIS REPORT TO CONGRESS, THE DECISION TO EXTEND THE WAIVER AUTHORITY FOR ROMANIA WAS TAKEN WITH GREAT DIFFICULTY. THE DECISION WAS CAREFULLY ADDRESSED AT THE HIGHEST LEVELS, AND ALL POSSIBILITIES -- INCLUDING NOT EXTENDING MFN TO ROMANIA AS WELL AS THE PROPOSAL MADE BY SOME IN CONGRESS TO "SUSPEND" MFN -- WERE SERIOUSLY EXAMINED. I WOULD LIKE TO EXPLAIN THE BACKGROUND TO THE PRESIDENT'S DECISION.

THE PRESIDENT SAID IN HIS REPORT TO CONGRESS THAT:

> "EXTENSION OF MFN TO ROMANIA CONTINUES NOT ONLY SUBSTANTIALLY TO PROMOTE THE OBJECTIVES OF THE ACT CONCERNING EMIGRATION, BUT ALSO TO ENABLE US TO HAVE AN IMPACT ON HUMAN RIGHTS CONCERNS AND TO HELP TO STRENGTHEN THE EXTENT OF RELIGIOUS OBSERVANCE IN ROMANIA."

MFN HAS CLEARLY BROUGHT GAINS IN THE AREA OF EMIGRATION, IN KEEPING WITH THE LANGUAGE AND OBJECTIVES OF THE ACT. IN ADDITION, OUR EFFORTS TO USE THE INFLUENCE AFFORDED BY MFN TO MAKE A POSITIVE IMPACT ON ROMANIAN HUMAN RIGHTS PRACTICES HAVE PRODUCED RESULTS WHICH ARE IMPORTANT AND MEANINGFUL IN HUMAN TERMS. WE BELIEVE THE PROCESS IS WORTH IT.

IN A STATEMENT PRESENTED TO THE SENATE FOREIGN RELATIONS COMMITTEE'S EUROPEAN SUBCOMMITTEE FEBRUARY 26, ASSISTANT SECRETARY RIDGWAY EXPLAINED OUR INCREASED EFFORTS, WHICH SECRETARY SHULTZ LAUNCHED IN HIS DECEMBER 15 VISIT TO BUCHAREST, TO USE THE MFN MECHANISM TO SECURE TANGIBLE PROGRESS ON HUMAN RIGHTS AS WELL AS CONTINUED PROGRESS IN EMIGRATION. DURING THE VISIT AND AFTER, WE PUT SEVERAL DETAILED PROPOSALS TO THE ROMANIAN GOVERNMENT WHICH WE BELIEVE ARE WITHIN ITS DISCRETIONARY POWER TO ACCOMMODATE, INCLUDING:

-- RELEASING OF JAILED RELIGIOUS AND POLITICAL ACTIVISTS;

-- ALLOWING SUBSTANTIAL IMPORTATION OR DOMESTIC PRINTING OF PROTESTANT BIBLES AND PERMITTING THEIR DISTRIBUTION;

-- EASING OF ADMINISTRATIVE RESTRICTIONS AGAINST RELIGIOUS GROUPS WHICH ARE NOT OFFICIALLY RECOGNIZED BY THE ROMANIAN GOVERNMENT;

-- EASING OF MEASURES THAT DISCOURAGE CONSTRUCTION OR REPAIR OF CHURCHES AND HAVE ALLOWED INCIDENTS OF DEMOLITION ON GROUNDS OF BUILDING CODE VIOLATIONS.

FOLLOWING SECRETARY SHULTZ'S VISIT TO BUCHAREST, OUR EMBASSY

REDOUBLED ITS EFFORTS IN PURSUING SIGNIFICANT HUMAN RIGHTS CASES AND ISSUES WHICH CAME TO ITS ATTENTION, OR WERE BROUGHT TO ITS ATTENTION BY US OR MEMBERS OF CONGRESS.

SO FAR AS THE ISSUES OF PRINCIPLE -- BIBLES, UNRECOGNIZED GROUPS, AND CHURCH STRUCTURES -- ARE CONCERNED, THE ROMANIAN GOVERNMENT'S RESPONSES HAVE BEEN LIMITED AND HESITANT. WE HAVE SECURED SOME PRACTICAL PROGRESS, FOR EXAMPLE THROUGH OUR EMBASSY'S CLOSELY FOLLOWING ALL CASES WHICH COME TO OUR ATTENTION OF THREATENED DEMOLITION OF PLACES OF WORSHIP ON THE PRETEXT OF BUILDING CODE VIOLATIONS. ORTHODOX CHURCH OFFICIALS HAVE TOLD US THEY HAVE NO OBJECTION TO THEIR CHURCH'S PRINTING PROTESTANT BIBLES. WE HAVE NO UNDERTAKING FROM THE ROMANIAN GOVERNMENT REGARDING HOW MANY BIBLES MIGHT BE PRINTED, OR WHEN.

WHILE WE ARE DISAPPOINTED BY THESE LIMITED RESULTS, WE ARE GRATIFIED BY THE RELEASE FROM PRISON OF:

-- CONSTANTIN SFATCU, A BAPTIST ACTIVIST CONVICTED IN JULY 1985 ON CHARGES RELATED TO BIBLE-SMUGGLING;

-- DOREL CATARAMA, A 7TH DAY ADVENTIST JAILED IN 1982 ON FABRICATED CHARGES;

-- RADU FILIPESCU, A YOUNG MAN IMPRISONED LAST YEAR FOR DISTRIBUTION OF ANTI-GOVERNMENT LITERATURE, AND

-- EMIL MOCANU, A BAPTIST JAILED FOR HELPING TO SMUGGLE HIS BROTHER TO THE WEST.

RADU ROSU, A TALENTED MATHEMATICIAN DENIED A PASSPORT TO ACCEPT A FELLOWSHIP AT PRINCETON'S INSTITUTE FOR ADVANCED STUDIES, RECEIVED HIS PASSPORT APPLICATION LAST WEEK. THESE ARE ALL SIGNIFICANT HUMAN RIGHTS CASES WHICH HAVE ATTRACTED CONSIDERABLE PUBLIC AND CONGRESSIONAL CONCERN. A MAJOR AMNESTY

ANNOUNCED BY THE ROMANIAN GOVERNMENT EARLY LAST WEEK OPENS PROSPECTS FOR THE RELEASE OF NUMEROUS OTHER INDIVIDUALS JAILED FOR DISTRIBUTION OF BIBLES, ATTEMPTING TO LEAVE ROMANIA ILLEGALLY, AND OTHER POLITICAL OFFENSES.

AS NOTED ABOVE, THE ROMANIAN GOVERNMENT HAS BEEN RESPONSIVE TO OUR CONCERNS IN THE EMIGRATION AREA. SINCE MID-APRIL, IT HAS OFFICIALLY ADVISED US OF OVER 1,100 EMIGRATION APPROVALS OF INDIVIDUALS QUALIFIED, UNDER U.S. LAW, FOR U.S. ADMISSIONS PROCESSING. IT HAS REVERSED A MID-1985 FALLOFF IN EMIGRATION APPROVALS FOR PEOPLE QUALIFIED TO COME TO THE U.S. BY SIGNIFICANTLY INCREASING ITS RATE OF PASSPORT APPROVALS FOR PEOPLE IN THIS CATEGORY, THEREBY RESTORING ROMANIAN EMIGRATION TO THE U.S. TO A LEVEL CONSISTENT WITH OUR ADMISSIONS PROCEDURES.

ROMANIA HAS ALSO SUBSTANTIALLY IMPLEMENTED THE ARRANGEMENTS WE WORKED OUT LAST YEAR TO EASE THE PHYSICAL AND MATERIAL HARDSHIPS OF EMIGRATION FROM ROMANIA. SINCE MID-1985, THE ROMANIAN GOVERNMENT HAS REVISED ITS PROCEDURES TO AVOID CREATING CASES OF INDIVIDUALS "TRAPPED" BETWEEN U.S. AND ROMANIAN PROCEDURES -- UNABLE TO LEAVE ROMANIA WITHOUT U.S.VISAS, AND WITHOUT JOBS, HOUSING, OR ACCESS TO SOCIAL SERVICES. THE ROMANIAN GOVERNMENT HAS ALSO GIVEN US FURTHER ASSURANCES THAT, EXCEPT IN CASES OF EMPLOYMENT IN SENSITIVE SECTORS, AN INDIVIDUAL'S PUTTING FORWARD AN EMIGRATION REQUEST OR RECEIVING DEPARTURE APPROVAL WILL NOT CAUSE DEMOTION OR LOSS OF JOB. NUMEROUS PROBLEMS REMAIN, AND WE ARE CONCERNED BY

REDUCED RATES OF PASSPORT APPROVALS FOR ROMANIAN JEWS TO ISRAEL.

WE HAVE TO KEEP IN MIND THAT HOWEVER FLAWED THE EMIGRATION PROCESS HAS BEEN, THE JACKSON-VANIK MECHANISM HAS WORKED. THE VAST MAJORITY OF THE 2,951 ROMANIANS WHO REJOINED FAMILY MEMBERS IN THE U.S. LAST YEAR -- AND THE 25,700 WHO HAVE LEFT SINCE 1975 -- WOULD NOT BE HERE WERE IT NOT FOR MFN. IN THE VIEW OF THE WEST GERMAN AND ISRAELI GOVERNMENTS, MFN HAS ALSO HELPED TO FACILITATE DEPARTURES FROM ROMANIA FOR THOSE COUNTRIES. OVER 154,000 ROMANIANS HAVE TAKEN UP NEW LIVES IN THE WEST DURING THE TEN YEARS OF MFN, AND ANNUAL EMIGRATION FROM ROMANIA HAS FOR SEVERAL YEARS EXCEEDED THE COMBINED TOTAL OF LEGAL DEPARTURES FROM THE SOVIET UNION, BULGARIA, CZECHOSLOVAKIA, AND HUNGARY -- COUNTRIES WITH 13 TIMES ROMANIA'S POPULATION.

WE HAVE EXAMINED WHETHER OUR INTERESTS -- AND THE PEOPLE WE ARE CONCERNED ABOUT -- WOULD BE BETTER SERVED BY TERMINATING OR SUSPENDING MFN. OUR VIEW IS THAT THEY WOULD NOT. PEOPLE WE CARE ABOUT MUST GO ON WITH THEIR LIVES IN ROMANIA, WITH OR WITHOUT BENEFIT OF OUR INFLUENCE. BESIDES SETTING BACK PROSPECTS FOR REUNIFICATION OF THOUSANDS OF DIVIDED FAMILIES, TERMINATION OR SUSPENSION OF MFN WOULD DEPRIVE US OF OUR ACCESS TO THE ROMANIAN PEOPLE AND OUR LEVERAGE WITH THEIR LEADERS, AND INVITE A CRACKDOWN ON THE SUBSTANTIAL EXTENT OF RELIGIOUS ACTIVITIES, PARTICULARLY AMONG FUNDAMENTALIST PROTESTANT GROUPS, WHICH EXIST WITHIN AS WELL AS OUTSIDE THE CONTEXT OF OFFICIAL REGULATIONS.

THE HUMAN RIGHTS SITUATION IN ROMANIA, DEPLORABLE AS IT IS, COULD BECOME SUBSTANTIALLY WORSE. BY SOVIET AND SOME EASTERN EUROPEAN STANDARDS, ROMANIA IS STILL A RELATIVELY ACCESSIBLE SOCIETY. NEWS OF HUMAN RIGHTS DEVELOPMENTS WHICH WOULD BE SUPPRESSED ELSEWHERE IS OFTEN QUICKLY COMMUNICATED FROM ROMANIA TO THE WEST. WE HAVE SOMEWHAT GREATER KNOWLEDGE OF ROMANIAN HUMAN RIGHTS PROBLEMS THAN WE DO IN OTHER EAST EUROPEAN COUNTRIES.

I WENT TO BUCHAREST MAY 26-28 AND MET WITH RELIGIOUS LEADERS -- ORTHODOX PATRIARCH JUSTIN, CATHOLIC ARCHBISHOP ROBU, BAPTIST UNION PRESIDENT HUSANU, AND JEWISH COMMUNITY SECRETARY-GENERAL SHECTER. THESE MEETINGS ILLUSTRATED FOR ME WHAT, IN TERMS OF ROMANIAN RELIGIOUS LIFE AS WELL AS EMIGRATION, WE STAND TO LOSE IN TERMS OF TERMINATING OR SUSPENDING MFN. ROMANIA IS EXPERIENCING A RELIGIOUS REVIVAL, PARTICULARLY AMONG FUNDAMENTALIST PROTESTANT DENOMINATIONS WHICH ARE GROWING FASTER THAN IN OTHER COUNTRIES OF EASTERN EUROPE. THERE IS A LOT OF RELIGIOUS ACTIVITY IN ROMANIA -- OFFICIALLY REGULATED AND NOT. TTHE CONSTRUCTION IN RECENT YEARS OF SOME NEW CHURCHES BY SEVERAL DENOMINATIONS -- ROMANIAN ORTHODOX, CATHOLIC, HUNGARIAN REFORMED, BAPTIST -- IS LESS WELL-KNOWN THAN THE ROMANIAN GOVERNMENT'S CALLOUS TREATMENT OF SOME CHURCH STRUCTURES. WE ARE AWARE OF NO NEW CONSTRUCTION OF CHURCHES IN THE SOVIET UNION. ROMANIAN RELIGIOUS GROUPS WHICH ARE HARASSED BY THE GOVERNMENT, SUCH AS THE NAZARENES, JEHOVAH'S WITNESSES, AND "UNOFFICIAL" BAPTISTS, NONETHELESS

FUNCTION WITH FULL KNOWLEDGE OF THE AUTHORITIES. HUNDREDS OF SEMINARIANS ARE BEING TRAINED UNDERGROUND, ALSO WITH KNOWLEDGE OF THE AUTHORITIES. SEVERAL MILLION DOLLARS' WORTH OF FOOD AND CLOTHING PARCELS ARE RECEIVED EACH YEAR BY ROMANIAN BELIEVERS FROM CORELIGIONISTS IN THE U.S. AND WESTERN EUROPE. AS NOTED IN THE PRESIDENT'S REPORT, ROMANIA HAS SOME 8,100 FUNCTIONING ORTHODOX CHURCHES AND MORE THAN 4,000 OF OTHER DENOMINATIONS. SOME 400 OF THE COUNTRY'S MORE THAN 1,000 BAPTIST CHURCHES FUNCTION WITHOUT OFFICIAL AUTHORIZATION.

SOME HERE WILL ARGUE THAT MFN -- A NORMAL CONDITION OF TRADE WHICH WE ACCORD TO MORE THAN 140 COUNTRIES -- CONSTITUTES A SPECIAL FAVOR TO THE ROMANIAN GOVERNMENT. IT IS TRUE THAT MFN IS SOMETHING WE DENY TO SOME OTHER COMMUNIST COUNTRIES: THAT FACT ITSELF HAS IMPORTANCE FOR OUR ABILITY TO USE MFN TO PROJECT U.S. INFLUENCE INTO THE ROMANIAN GOVERNMENT'S DELIBERATIONS. MFN IS ALSO IMPORTANT TO US BECAUSE WE HAVE NO OTHER EFFECTIVE MEANS OF INFLUENCE OVER DEVELOPMENTS IN ROMANIA. WE GIVE ROMANIA NO FOREIGN AID. THE DEBATE OVER WHETHER TO SUSPEND OR TERMINATE ROMANIAN MFN PRESENTS A DIFFICULT CHOICE BETWEEN WORKING A DIFFICULT SITUATION BY SMALL INCREMENTS, OR DOING NOTHING. WE KNOW THE INCREMENTS ARE LIMITED. BUT SO IS OUR INFLUENCE. THE DEPARTMENT OF COMMERCE HAS TESTIFIED THAT LOSS OF MFN WOULD COST ROMANIA ABOUT $300 MILLION -- ROUGHLY FIVE PERCENT OF ITS HARD CURRENCY EXPORT EARNINGS WHICH THE REGIME COULD COVER, LIKE OTHER ECONOMIC SETBACKS, BY FURTHER REDUCING LIVING STANDARDS. COMING ON TOP

OF DAMAGE TO THE ROMANIAN ECONOMY INFLICTED BY THE SOVIET NUCLEAR ACCIDENT AND ITS AFTERMATH, LOSS OR SUSPENSION OF MFN WOULD BE A HARD BLOW TO THE ROMANIAN PEOPLE, BUT NOT TO THE BASIC INTERNAL POLICIES OF THEIR LEADERS.

CHARGES WILL BE AIRED HERE THAT ROMANIA'S RELATIVE FOREIGN POLICY INDEPENDENCE FROM THE SOVIET UNION IS MYTHICAL. WE STRONGLY DISAGREE. ROMANIAN POLICIES, ALTHOUGH CIRCUMSCRIBED BY SOVIET INFLUENCE, HAVE FOR YEARS CREATED MATERIAL DIFFICULTIES FOR MOSCOW. MILITARILY, THE ROMANIANS CONTINUE TO PROHIBIT THEIR FORCES FROM PARTICIPATING IN WARSAW PACT MANEUVERS, DENY ACCESS OF PACT FORCES TO THEIR TERRITORY EXCEPT FOR RARE TRANSITS, AND CONTRIBUTE LESS TO PACT MILITARY EXPENDITURES THAN OTHER EAST EUROPEAN COUNTRIES. NEXT WEEK, SHIPS FROM OUR 6TH FLEET WILL VISIT CONSTANTA AS PART OF THE ONLY REGULAR PROGRAM OF PORT CALLS WE HAVE WITH A WARSAW PACT COUNTRY. IN THE POLITICAL AREA, THE ROMANIANS HAVE DEFIED THE SOVIETS BY MAINTAINING RELATIONS WITH ISRAEL, CONDEMNING THE SOVIET INTERVENTION IN AFGHANISTAN, AND REFUSING TO SUPPORT SEVERAL IMPORTANT ANTI-U.S. RESOLUTIONS IN THE UN. OUR CONSULTATIONS WITH THE ROMANIAN GOVERNMENT ON INTERNATIONAL ISSUES HAVE BREADTH AND CANDOR LACKING IN OUR CONTACTS WITH MOST OTHER EAST EUROPEAN GOVERNMENTS. ECONOMICALLY, THE ROMANIANS HAVE ESTABLISHED GREATER RELIANCE UPON TRADE OUTSIDE THE SOVIET BLOC THAN ANY OTHER WARSAW PACT COUNTRY, AND THEY HAVE, OVER THE YEARS, LED RESISTANCE TO SOVIET-INSPIRED PLANS FOR BLOC ECONOMIC INTEGRATION.

IT WILL BE ARGUED THAT ROMANIA SUPPORTS INTERNATIONAL TERRORISM. WE HAVE NO RECENT AFFIRMATIVE EVIDENCE OF THAT. ON THE CONTRARY, WE CALL TO YOUR ATTENTION THE ROMANIAN GOVERNMENT'S EFFECTIVE MEASURES TO PREVENT TERRORIST INCIDENTS AGAINST OUR EMBASSY IN BUCHAREST FOLLOWING THE AIR STRIKES ON LIBYA THIS SPRING.

MANY OF THE WITNESSES BEFORE THE SUBCOMMITTEE WILL ASK HOW THE ADMINISTRATION CAN ARGUE THAT THE MFN MECHANISM IS EFFECTIVE WHEN IT HAS FAILED TO PREVENT SO MANY DEVELOPMENTS IN ROMANIA THAT CAUSE US PROBLEMS. IN OUR VIEW, THE BALANCE IS SWUNG BY THE NUMBER OF PEOPLE WE HAVE BEEN ABLE TO HELP. WE BELIEVE THAT RECENT POSITIVE DEVELOPMENTS ARE IMPORTANT IN TERMS OF HUMAN LIVES, AND THAT IS WHAT HUMAN RIGHTS ARE ALL ABOUT. IN ACCORDANCE WITH THE PRESIDENT'S DIRECTIVE TO SECRETARY SHULTZ, WE WILL VIGOROUSLY PURSUE OUR EFFORTS TO SECURE FURTHER IMPROVEMENTS, AND WILL REPORT TO THE PRESIDENT AND CONGRESS SEMI-ANNUALLY, BEGINNING IN DECEMBER, ON ROMANIAN RELIGIOUS RIGHTS DEVELOPMENTS.

THE DECISION TO EXTEND MFN TO ROMANIA THIS YEAR WAS NOT EASY. WE THINK IT WAS THE RIGHT CHOICE FOR OUR NATIONAL INTERESTS. WE HAVE TO FACE THE FACTS. WE ARE DEALING WITH A GOVERNMENT WHICH DOES NOT SHARE OUR PRINCIPLES AND HAS NO HESITANCY IN PUNISHING ITS PEOPLE, AND NO ACTION BY THE UNITED STATES CAN CHANGE THE FUNDAMENTAL NATURE OF THAT GOVERNMENT. AT THE SAME TIME, HOWEVER, OUR LIMITED INFLUENCE AND THAT OF OTHER WESTERN COUNTRIES HAS REPRESENTED, FOR THE ROMANIAN

PEOPLE, THE FULL MEASURE OF DIFFERENCE BETWEEN SOME PROGRESS AND NONE. IN THE PAST YEAR, THAT PROGRESS, MEASURED IN A HEAVY FLOW OF EMIGRATION, RELEASES OF RELIGIOUS AND POLITICAL ACTIVISTS FROM PRISON, AND OUR CONTINUING ACCESS TO RELIGIOUS COMMUNITIES, HAS BEEN CONSIDERABLE. WE SHOULD TAKE SATISFACTION IN THESE RESULTS WHILE RESOLVING TO PRESS FOR FURTHER IMPROVEMENTS.

STATEMENT OF
FRANKLIN J. VARGO
DEPUTY ASSISTANT SECRETARY FOR EUROPE
U.S. DEPARTMENT OF COMMERCE

BEFORE THE HOUSE WAYS AND MEANS COMMITTEE
SUBCOMMITTEE ON TRADE
JUNE 10, 1986

MR. CHAIRMAN:

I AM PLEASED TO APPEAR BEFORE THIS COMMITTEE IN SUPPORT OF THE PRESIDENT'S DETERMINATION THAT CONTINUATION OF THE WAIVERS APPLICABLE TO ROMANIA AND HUNGARY WILL SUBSTANTIALLY PROMOTE THE OBJECTIVES OF SECTION 402 OF THE 1974 TRADE ACT. THIS WILL PERMIT EXTENSION OF MOST-FAVORED-NATION (MFN) TARIFF STATUS TO THESE COUNTRIES FOR ANOTHER YEAR.

THE UNITED STATES VIEWS TRADE WITH THE EASTERN EUROPEAN COUNTRIES AS PART OF OUR OVERALL RELATIONSHIP WITH THEM, AND CONDUCTS THAT TRADE IN THE CONTEXT OF NATIONAL SECURITY, HUMAN RIGHTS, AND OTHER VITAL OBJECTIVES.

IN THESE RELATIONS THE UNITED STATES TAKES ACCOUNT OF DIVERSITY IN THE REGION, ESPECIALLY OF FOREIGN POLICY INDEPENDENCE OR INTERNAL LIBERALIZATION SHOWN BY INDIVIDUAL COUNTRIES. IN ORDER TO ENSURE THAT U.S. INTERESTS IN ROMANIA AND HUNGARY ARE FURTHERED AND GAINS ACHIEVED ARE PRESERVED, WE BELIEVE MFN STATUS SHOULD BE RENEWED FOR BOTH COUNTRIES.

ROMANIA AND HUNGARY ALONE AMONG THE EAST EUROPEAN COUNTRIES HAVE AGREED TO STEPS WHICH IMPROVE EMIGRATION, AND HAVE RECEIVED MFN TREATMENT AS A RESULT. THERE IS NO QUESTION THAT MFN HAS HAD THE DESIRED RESULT OF PROMOTING INCREASED EMIGRATION.

GRANTING MFN TO ROMANIA AND HUNGARY HAS BENEFITED OTHER U.S. INTERESTS AS WELL. MFN HAS BEEN THE FOUNDATION OF STRONG COMMERCIAL RELATIONSHIPS WITH BOTH COUNTRIES. THE GRANTING OF MFN WAS RECIPROCAL, GIVING U.S. COMPANIES THE ABILITY TO SELL IN THESE MARKETS. OVER 30 AMERICAN COMPANIES HAVE OFFICES IN BUCHAREST. SEVERAL DOZEN LEADING AMERICAN COMPANIES ARE ACTIVE IN THE HUNGARIAN MARKET, PURSUING TRADE AND COOPERATION OPPORTUNITIES UNDER HUNGARY'S INDUSTRIAL MODERNIZATION PROGRAM. U.S. SALES TO ROMANIA AND HUNGARY LAST YEAR WERE $300 MILLION. LEADING EXPORT ITEMS INCLUDE FOOD PROCESSING EQUIPMENT, AGRICULTURAL EQUIPMENT AND CHEMICALS, AND NON-STRATEGIC COMPUTING EQUIPMENT.

MFN HAS CONTRIBUTED TO INTEGRATING BOTH ROMANIA AND HUNGARY MORE FULLY INTO THE WORLD TRADING SYSTEM, AND HAS ENCOURAGED THEIR OBSERVANCE OF THE RULES OF THAT SYSTEM AND OF U.S. TRADE REGULATIONS AND POLICIES, AS WELL. MFN EXTENSION HAS HELPED ROMANIA TO MAINTAIN A GREATER DEGREE OF ECONOMIC INDEPENDENCE FROM THE SOVIET UNION. MORE THAN 50 PERCENT OF ROMANIA'S TRADE IS WITH THE WEST, WHILE OTHER EAST EUROPEAN COUNTRIES CONDUCT ROUGHLY 65 PERCENT OF THEIR TRADE WITH THE SOVIET BLOC.

ROMANIA

WE ARE ALL EXTREMELY CONCERNED ABOUT ROMANIA'S HUMAN RIGHTS AND EMIGRATION PRACTICES. THE PRESIDENT'S DECISION WAS TAKEN AFTER LONG DELIBERATION AND IS BASED ON THE BELIEF THAT THE EXTENSION OF MFN WILL RESULT IN FURTHER PROGRESS IN AREAS OF INTEREST TO THE UNITED STATES. TERMINATION OF ROMANIA'S MFN WOULD RESULT IN A REVERSAL OF THE GAINS WHICH HAVE BEEN WON IN EMIGRATION, TRADE AND OTHER AREAS.

TOTAL EMIGRATION TO THE UNITED STATES, ISRAEL AND THE FEDERAL REPUBLIC OF GERMANY SINCE ROMANIA OBTAINED MFN IN 1975 HAS BEEN 153,000. OVER 17,000 ROMANIANS WERE ABLE TO EMIGRATE LAST YEAR TO THESE THREE COUNTRIES, MORE THAN THE COMBINED EMIGRATION OF ALL THE OTHER WARSAW PACT COUNTRIES EXCEPT THE GERMAN DEMOCRATIC REPUBLIC.

THERE HAVE BEEN OTHER GAINS FROM GRANTING MFN TO ROMANIA AS WELL. ROMANIA AGREED, FOR EXAMPLE, TO REVERSE THE 1983 EDUCATION TAX ON EMIGRANTS. ADDITIONALLY, WE HAVE BENEFITED FROM ROMANIA'S WILLINGNESS TO CHALLENGE SOVIET INITIATIVES IN EASTERN EUROPE. IN THE TRADE FIELD, UNDER MFN U.S. COMPANIES HAVE SOLD OVER $3.5 BILLION IN GOODS SINCE 1975. THE UNITED STATES HAS BECOME ROMANIA'S THIRD LARGEST TRADING PARTNER AFTER THE SOVIET UNION AND THE FEDERAL REPUBLIC OF GERMANY.

ECONOMICALLY, THE MFN RELATIONSHIP HAS BEEN IMPORTANT TO U.S. FIRMS AND TO AMERICAN WORKERS. PRIOR TO ROMANIA'S CURRENT ECONOMIC CRISIS, U.S. EXPORTS REACHED A PEAK OF $720 MILLION DOLLARS ANNUALLY, CREATING OVER 18,000 JOBS FOR AMERICAN FARMERS AND WORKERS. THIS YEAR, DESPITE ROMANIA'S SEVERE FINANCIAL AND ECONOMIC DIFFICULTIES, OUR EXPORTS ARE RUNNING AT AN ANNUAL RATE OF $430 MILLION -- CREATING JOBS FOR ROUGHLY 11,000 AMERICANS.

THE TRADE RELATIONSHIP HAS BEEN A POSITIVE ONE FOR THE UNITED STATES, DESPITE THE FACT THAT WE HAVE BEEN RUNNING A SUBSTANTIAL DEFICIT WITH ROMANIA FOR SEVERAL YEARS. THE REASON FOR THIS IS THAT OUR EXPORTS TO ROMANIA ARE WHAT WE MIGHT CALL "ADDITIONAL" -- THAT IS, IF WE DIDN'T SELL THEM TO ROMANIA, THEY WOULD NOT AUTOMATICALLY BE BOUGHT BY SOMEONE ELSE. THEY WOULD SIMPLY BE LOST.

OUR IMPORTS FROM ROMANIA, ON THE OTHER HAND, ARE NOT "ADDITIONAL". THEY ARE NOT UNIQUE PRODUCTS WHICH WOULD BE UNAVAILABLE ELSEWHERE. THEY ARE PRINCIPALLY OIL PRODUCTS AND SEMI-MANUFACTURES WHICH CAN AND WOULD BE IMPORTED INTO THE UNITED STATES FROM OTHER COUNTRIES. IN FACT, OTHER THAN THE SHARP INCREASE IN IMPORTS OF PETROLEUM PRODUCTS, OUR IMPORTS FROM ROMANIA HAVE DECLINED SHARPLY SINCE 1983. OF THE $980 MILLION CURRENT ANNUAL RATE OF U.S. IMPORTS FROM ROMANIA SO FAR THIS YEAR, $655 MILLION ARE PETROLEUM PRODUCTS -- PRODUCTS WHICH WOULD SIMPLY BE IMPORTED FROM OTHER COUNTRIES IF ROMANIA DID NOT SELL THEM TO US.

MOREOVER, BEGINNING IN 1982, ROMANIA HAS HAD TO MAKE DEBT PAYMENTS OF ROUGHLY $1.6 BILLION PER YEAR. LAST YEAR AND AGAIN THIS YEAR, ROMANIA IS OBLIGATED TO REPAY OVER $200 MILLION OF FINANCIAL OBLIGATIONS TO THE U.S. GOVERNMENT AND PRIVATE LENDERS. SINCE 1981, ROMANIA HAS CUT ITS FOREIGN DEBT IN HALF, TO LESS THAN $6 BILLION TODAY.

THE COST TO ROMANIANS OF THE AUSTERITY PROGRAM HAS BEEN SEVERE; LIVING STANDARDS FELL DRAMATICALLY AS FOOD AND ENERGY SUPPLIES DECLINED. ROMANIA'S AUSTERITY PROGRAM ALSO CUT HEAVILY INTO IMPORTS OF CAPITAL GOODS, WITH A RESULTANT DECLINE IN INDUSTRIAL PERFORMANCE. THE AUSTERITY PROGRAM CANNOT BE SUSTAINED AT THE RECENT RATE WITHOUT SERIOUSLY AFFECTING ROMANIA'S ECONOMIC FUTURE. ROMANIA'S IMPORT NEEDS CANNOT BE DEFERRED MUCH LONGER. WE ARE, IN FACT, BEGINNING TO SEE SIGNS THAT ROMANIA IS IMPORTING MORE FROM THE WEST, INCLUDING FROM THE UNITED STATES. ROMANIA HAS ACTED TO REDUCE ITS IMPORTS FROM THE UNITED STATES LESS THAN FROM OTHER WESTERN COUNTRIES, AND THE U.S. SHARE OF ROMANIA'S IMPORTS FROM THE OECD COUNTRIES ROSE FROM 13% IN 1982 TO 18% in 1984. THIS LARGER SHARE WILL BENEFIT U.S. EXPORTERS AS ROMANIAN IMPORTS INCREASE.

STATISTICS FOR THE FIRST QUARTER OF 1986, WHICH SHOW U.S. EXPORTS TO ROMANIA AT $108 MILLION, ARE MORE THAN DOUBLE WHAT THEY WERE AT THIS TIME LAST YEAR. THESE FIGURES REFLECT A STRONG RECOVERY OF U.S. SALES OF GRAINS, AGRICULTURAL CHEMICALS, AND SPARE PARTS FOR EQUIPMENT AND MACHINERY.

MANY OF THESE ITEMS HAD BEEN TRADITIONAL EXPORTS TO ROMANIA, BUT WERE NOT PURCHASED BECAUSE OF ROMANIA'S AUSTERITY PROGRAM. AT THE SAME TIME, U.S. IMPORTS FROM ROMANIA FOR JANUARY-MARCH 1986 STAND AT $245 MILLION, UP ONLY 2 PERCENT ABOVE LAST YEAR'S LEVEL. WITH THE EXTENSION OF MFN WE EXPECT TO SEE A CONTINUING TREND TOWARD A MORE BALANCED TRADE PICTURE.

U.S. COMPANIES ARE MAKING SOME SIGNIFICANT INDIVIDUAL SALES WHICH WILL SHOW UP IN FUTURE TRADE FIGURES, SUCH AS POWER TURBINES FOR ROMANIA'S NUCLEAR ENERGY PROGRAM. THAT POWER GENERATION EQUIPMENT, INCIDENTALLY, IS BEING SOLD AGAINST STIFF

EUROPEAN COMPETITION; AND ACCORDING TO COMPANY ESTIMATES, WILL GENERATE 1000 AMERICAN JOBS AND CONTRIBUTE TO KEEPING OPEN A FACILITY EMPLOYING 6000 WORKERS. MOREOVER, IT IS NOT ONLY TRADITIONAL U.S. SALES THAT ARE INCREASING; FIRST QUARTER FIGURES SHOW THAT U.S COMPANIES ARE SUCCESSFULLY MARKETING NEW PRODUCTS IN ROMANIA, INCLUDING OFFICE EQUIPMENT, CLOTHING, AND SCIENTIFIC MEASURING EQUIPMENT. ALL OF THESE SALES, INCIDENTALLY, ARE IN NON-STRATEGIC GOODS. ALTHOUGH WE DISTINGUISH BETWEEN ROMANIA AND THE SOVIET UNION IN OUR EXPORT CONTROL COUNTRY CATEGORIES, LICENSING DECISIONS FOR ROMANIA ARE MADE ON A CASE-BY-CASE BASIS CONSISTENT WITH OUR NATIONAL SECURITY INTERESTS. WE DO NOT SELL STRATEGIC PRODUCTS TO ROMANIA, WHICH IS A MEMBER OF THE WARSAW PACT.

THE KEY QUESTION TODAY IS WHAT WOULD HAPPEN IF MFN WERE REMOVED FROM ROMANIA. FIRST, THERE IS LITTLE DOUBT THAT THE SUBSTANTIAL EMIGRATION THAT HAS BEEN ACHIEVED WOULD BE SEVERELY CURTAILED AND PERHAPS ELIMINATED. THERE WOULD ALSO BE A DISINCENTIVE FOR THE ROMANIANS TO PERMIT ANY INCREASE IN RELIGIOUS FREEDOM. MATTERS WOULD ALMOST CERTAINLY GET WORSE.

AS FAR AS THE ECONOMIC EFFECTS, THE FIRST WOULD BE THE ELIMINATION OF ROMANIA'S ABILITY TO SELL A BROAD RANGE OF ITS PRODUCTS IN THE UNITED STATES AS THE HIGHER "COLUMN II" NON-MFN TARIFFS WOULD BE APPLIED. ADDITIONALLY, OUR ABILITY TO SUPPORT EXPORTS WOULD BE SEVERELY CURTAILED, ROMANIA WOULD DENY RECIPROCAL MFN TREATMENT TO U.S. COMPANIES, AND OUR TRADE AGREEMENT WOULD PROBABLY BE TERMINATED.

WE BELIEVE ROMANIA'S EXPORTS TO THE UNITED STATES WOULD FALL BY ABOUT $300 MILLION AS ROMANIA BECAME UNCOMPETITIVE IN A RANGE OF MANUFACTURED AND SEMI-MANUFACTURED GOODS WHOSE TARIFFS WOULD INCREASE SHARPLY. ROMANIA WOULD BE ABLE TO CONTINUE EXPORTING PERHAPS $600 MILLION OF GOODS, FOR WHICH THE MFN AND NON-MFN TARIFFS ARE BOTH DUTY FREE OR QUITE LOW. THIS INCLUDES PRODUCTS SUCH AS RUBBER, PORK, AMMONIUM NITRATE, NITROGEN FERTILIZERS, AND SOME PETROLEUM PRODUCTS.

THE SECOND EFFECT WOULD BE A SHARP LOSS OF U.S. EXPORTS TO ROMANIA. ROMANIA WOULD IMMEDIATELY DENY MFN TO U.S. COMPANIES, AND WOULD DIVERT ITS PURCHASES TO OTHER COUNTRIES. WE BELIEVE WE WOULD LOSE WELL OVER HALF OUR POTENTIAL EXPORTS TO ROMANIA -- COSTING AT LEAST 5000 U.S. JOBS ANNUALLY.

WE NOTE THAT U.S. IMPORTERS WOULD SIMPLY SHIFT SOURCES FROM ROMANIA AND BEGIN IMPORTING THEIR REQUIREMENTS FROM OTHER COUNTRIES. THUS, OUR TOTAL IMPORTS FROM THE WORLD WOULD NOT FALL. OUR EXPORTS TO ROMANIA, HOWEVER, WOULD NOT BE AUTOMATICALLY DIVERTED. THEY WOULD BE LOST COMPLETELY, TO THE DETRIMENT OF OUR TRADE BALANCE.

THE SUSPENSION OF ROMANIA'S MFN STATUS WOULD DISMANTLE THE FRAMEWORK OF NORMAL RELATIONS AND DESTROY BUSINESS RELATIONSHIPS WHICH TOOK YEARS TO DEVELOP. FURTHERMORE, THESE MARKETS WOULD BE VERY DIFFICULT TO REGAIN EVEN WITH A RESTORATION OF MFN AT SOME LATER DATE.

ONCE MFN IS TAKEN AWAY, EVEN AS A TEMPORARY SUSPENSION, BUSINESS RELATIONSHIPS ARE DESTROYED. THEY CANNOT BE RESTARTED IN A YEAR OR TWO AS IF NOTHING HAD HAPPENED. U.S. IMPORTERS WILL HAVE FOUND OTHER SOURCES OF SUPPLY, U.S. COMPANIES WILL HAVE CLOSED THEIR DOORS IN ROMANIA, ROMANIAN BUYERS WILL HAVE SHIFTED TO OTHER SUPPLIERS, AND THE LOST TRADE WOULD TAKE YEARS TO SLOWLY REBUILD.

WE ESTIMATE THAT MFN EXTENSION WILL PERMIT ROMANIA TO CONTINUE EXPORTING TO THE UNITED STATES ABOUT $300 MILLION OF GOODS WHICH OTHERWISE COULD NOT BE SOLD HERE. ROUGHLY TWO-THIRDS OF THESE EARNINGS, HOWEVER, WILL BE PAID BACK TO THE U.S. GOVERNMENT AND PRIVATE U.S. LENDERS IN 1986.

ROMANIA'S MFN EXPORTS TO THE UNITED STATES WILL MAKE UP SLIGHTLY LESS THAN 20 PERCENT OF THE HARD CURRENCY ROMANIA WILL REPAY WORLDWIDE THIS YEAR. THESE EARNINGS WOULD BE HARD TO MAKE UP ELSEWHERE IN THE SHORT-TERM, AND WOULD LEAD TO ECONOMIC PROBLEMS WHICH WOULD BE BORNE BY THE ROMANIAN PEOPLE.

THE U.S. BUSINESS COMMUNITY STRONGLY SUPPORTS CONTINUATION OF ROMANIA'S MFN STATUS. AMERICAN COMPANIES DESIRE TO HELP ACHIEVE U.S. TRADE AND FOREIGN POLICY OBJECTIVES. U.S. BUSINESS REPRESENTATIVES ARE CONCERNED WITH THE HUMAN RIGHTS SITUATION IN ROMANIA AND HAVE USED THEIR ACCESS TO SENIOR ROMANIAN OFFICIALS, INCLUDING PRESIDENT CEAUSESCU, TO RAISE THESE CONCERNS.

SINCE GRANTING MFN IN 1975, WE HAVE USED THE JOINT AMERICAN-ROMANIAN ECONOMIC COMMISSION (JEC), CHAIRED BY THE SECRETARY OF COMMERCE, AS A FORUM TO DISCUSS ROMANIA'S EMIGRATION AND HUMAN RIGHTS PRACTICES. DURING THE APRIL 1986 INTERIM JEC SESSION, BOTH SECRETARY BALDRIGE AND UNDER SECRETARY SMART STRESSED TO ROMANIAN FOREIGN TRADE MINISTER-STATE SECRETARY ROSU THE LINKAGE BETWEEN THE MAINENANCE OF GOOD BILATERAL TRADE RELATIONS AND IMPROVEMENT IN ROMANIA'S EMIGRATION AND HUMAN RIGHTS PERFORMANCE.

HUNGARY

THANKS TO CONTINUED MFN STATUS, U.S. TRADE RELATIONS WITH HUNGARY HAVE DEVELOPED FAVORABLY OVER THE PAST YEAR. BILATERAL TRADE TURNOVER INCREASED IN 1985 TO A NEW HIGH OF $331.4 MILLION. THIS WAS DUE TO A RISE IN U.S. MANUFACTURED EXPORTS

TO HUNGARY, PARTICULARLY AGRICULTURAL MACHINERY AND CHEMICALS, OIL AND GAS EXPLORATION EQUIPMENT, AND AUTOMOTIVE PARTS. HUNGARIAN EXPORTS TO THE UNITED STATES, WHICH HAD INCREASED STEADILY SINCE MFN WAS GRANTED, DECLINED SLIGHTLY IN 1985.

U.S.-HUNGARIAN TRADE CONTINUES TO BENEFIT FROM AN ACTIVE OFFICIAL EXCHANGE. BILATERAL COMMERCIAL MATTERS WERE DISCUSSED BY SECRETARY OF STATE SHULTZ DURING HIS VISIT TO BUDAPEST LAST NOVEMBER. AT THE INVITATION OF SECRETARY BALDRIGE, HUNGARY'S MINISTER OF INDUSTRY TENTATIVELY IS SCHEDULED TO VISIT THE UNITED STATES THIS YEAR, AND WILL MEET WITH SEVERAL MAJOR U.S. CORPORATIONS PURSUING PROJECTS IN HUNGARY. IN ADDITION, THE HUNGARIAN MINISTER OF AGRICULTURE WILL DISCUSS BILATERAL AGRICULTURAL COOPERATION WITH U.S. FIRMS DURING HIS VISIT TO THE U.S. THIS MONTH.

CONCLUSION

THE UNITED STATES HAS DERIVED IMPORTANT GAINS BY EXTENDING MFN TO ROMANIA AND HUNGARY.

U.S.-HUNGARIAN TRADE AND ECONOMIC COOPERATION HAS GROWN STEADILY SINCE MFN WAS FIRST EXTENDED IN 1978. ACCORDING TO HUNGARIAN TRADE FIGURES, THE U.S. WAS HUNGARY'S THIRD LARGEST WESTERN COUNTRY SUPPLIER LAST YEAR, COMPARED TO SEVENTH LARGEST BEFORE MFN WAS EXTENDED. THIS HAS YIELDED TANGIBLE BENEFITS FOR U.S. FIRMS IN TERMS OF EXPORTS. IN ADDITION, THE INCREASE IN OFFICIAL CONTACTS THAT HAS ACCOMPANIED MFN EXTENSION HAS PERMITTED A BROADER GOVERNMENT-TO-GOVERNMENT DIALOGUE WITH HUNGARY.

WITH REGARD TO ROMANIA, THE DEPARTMENT OF COMMERCE BELIEVES THE EXTENSION OF MFN WILL PROMOTE THE OBJECTIVES OF SECTION 402 (THE JACKSON-VANIK AMENDMENT) WITH REGARD TO EMIGRATION. THE DEPARTMENT OF COMMERCE ALSO SHARES THE DEEPFELT DESIRE TO IMPROVE ROMANIA'S HUMAN RIGHTS PERFORMANCE. WE BELIEVE THE ANNUAL RENEWAL PROCESS HAS PLAYED AN IMPORTANT ROLE IN HELPING TO ACHIEVE THIS OBJECTIVE. WE BELIEVE THAT THE MFN RELATIONSHIP IS ECONOMICALLY IMPORTANT TO ROMANIA, AND THAT ROMANIAN OFFICIALS HAVE DEMONSTRATED THEY ARE WILLING TO TAKE SOME STEPS TO MAINTAIN MFN. HOW MUCH MORE CAN BE ACHIEVED, AND AT WHAT PACE, IS UNKNOWN. WHAT IS CERTAIN, HOWEVER, IS THAT DENIAL OF MFN WOULD SEVER THE ECONOMIC INCENTIVE ROMANIA HAS TO MAKE CHANGES THAT WOULD IMPROVE THE HUMAN RIGHTS SITUATION INTERNALLY.

I APPRECIATE THE OPPORTUNITY TO DISCUSS THESE CONSIDERATIONS WITH YOU TODAY.

TESTIMONY BY ALAN F. HOLMER
GENERAL COUNSEL
OFFICE OF THE U.S. TRADE REPRESENTATIVE

BEFORE THE SUBCOMMITTEE ON TRADE
HOUSE COMMITTEE ON WAYS AND MEANS

June 10, 1986

Mr. Chairman--

I appreciate the opportunity to testify before your Subcommittee on the topic of most favored nation (MFN) treatment for Hungary, Romania, and the People's Republic of China. The Office of the United States Trade Representative strongly supports the President's decision to exercise his waiver authority under Section 402 of the Trade Act of 1974, thereby permitting a continuation of most favored nation treatment for these three countries. Maintenance of MFN status for Hungary, Romania, and the People's Republic of China will facilitate the further expansion of bilateral trade relationships with these nations.

Bilateral trade and cooperation between the United States and Hungary has increased significantly since the U.S.-Hungarian Trade Agreement was implemented in 1978. Total trade turnover has risen from $127 million in 1977 to $336 million in 1985, with a satisfactory balance of concessions. Hungary has improved working conditions for U.S. businessmen, increased access to its industrial officials, and greatly augmented the amount of economic and commercial information available to Western firms selling in the Hungarian market.

Hungary is a member of the General Agreement on Tariffs and Trade. In the Tokyo Round, Hungary reached agreement with the U.S. on reciprocal tariff reductions as well as reductions in certain nontariff barriers to trade. Since the conclusion of the Tokyo Round, Hungary has formally adhered to many of the GATT codes on nontariff trade barriers and the international arrangements negotiated during the Tokyo Round.

Romania received most favored nation treatment in 1975. Since that time, trade relations between the United States and Romania have expanded substantially. Total bilateral trade has grown from about $450 million in 1976 to $1.16 billion in 1985.

The United States and Romania concluded a satisfactory bilateral agreement during the Tokyo Round, and since that time, Romania has formally adhered to most of the nontariff measure codes and international arrangements negotiated during the Tokyo Round.

The Office of the United States Trade Representative also supports the extension of the waiver permitting most-favored-nation treatment for the People's Republic of China. Although it has been little more than half a decade since MFN status for China was granted under the terms of our bilateral trade agreement, there has been significant growth in our bilateral economic relations. Two-way trade between the United States and China in 1985 was nearly in balance and valued at approximately $8 billion, a substantial increase from the 1984 level of $6 billion. U.S. exports to China in 1985 increased by 28.3 percent from the 1984 level. The prospects for this year are again positive. Two-way trade is expected to approach $9 billion in 1986. The United States and China have continued to work hard to create a favorable commercial environment in order to facilitate mutual economic cooperation and development. Progress has been achieved in resolving problems dealing with outstanding claims; China is eligible for Ex-Im Bank programs, OPIC insurance and Commodity Credit Corporation (CCC) credits for the purchase of U.S. products. We now have operating successfully a series of agreements and protocols between our two governments concerning a wide variety of issues from industrial and technological cooperation to consular services.

While substantial progress has been achieved between our two governments in improving our economic, trade and investment relations, major challenges continue to face U.S. firms investing in China and selling to the Chinese market. Many of the problems are similar those that U.S. business faces in other developing country markets. Fortunately, as a result of the expanding dialogue we have with China and the strengthening of our bilateral economic relations, we have been able to discuss these issues amicably in a variety of formal and informal settings, such as the U.S.-China Joint Economic Committee (JEC), which held its sixth session in Beijing in early May, and the mid-May meeting of the Joint Commission on Commerce and Trade (JCCT) in Washington.

Since implementation of its open door policy, China has undertaken a series of measures designed to facilitate its development through an expansion of trade opportunities and to become more fully integrated into the international trading system. The major economic reforms have called for the increased use of market forces to regulate trade. China is improving its legal framework for commercial relations and has promulgated a body of economic and commercial laws to attract foreign participation in its special economic zones and newly opened coastal cities.

China has made significant progress toward protection of intellectual property, an area of increasing concern to the Administration. In March 1985, China acceded to the Paris Convention for Intellectual Property; on April 1, 1985 it enacted a new patent law. China has improved its trademark law and is in the process of drafting a copyright law. While there are certainly areas for additional progress, we see these as positive steps and we continue to give attention to this issue in our bilateral relations. We have been encouraged by the progress that China has made in its open door policy and the establishment of a commercial legal framework within which U.S. investors may operate.

We also remain interested in concluding a comprehensive bilateral investment agreement between our two governments and plan to hold additional consultations with the Chinese to achieve such an agreement. We will continue to explore the possibility of obtaining a meaningful investment agreement which is in our mutual interest. Total cumulative U.S. investment in China was valued at about $1.4 billion last year, the bulk of which was in offshore oil exploration.

As trade with China develops, the incidence of problems between us will inevitably increase. Whether the difficulties involve Chinese exports to the U.S. market or access to China's expanding market, we will continue to push for resolution of these problems through our formal and informal channels and through U.S. trade statutes, in a manner conducive to the development of our bilateral relations.

In conclusion, I would like to emphasize once again that most favored nation treatment is a key element of our trade relationship with each of these three nations. The decision to extend to MFN treatment, in each instance, was based on the determination that the extension would further the intent of Section 402. Furthermore, it will expand opportunities for U.S. exports. Failure to continue MFN status for these countries would deliver a major setback to these policy objectives. For these reasons, the Office of the United States Trade Representative strongly supports the determinations made by the President in continuing the waivers applicable to Hungary, Romania, and the People's Republic of China.

Chairman GIBBONS. In your written statement you mentioned the Government of Romania had announced a general amnesty for people jailed due to religious or political offenses.

Would you elaborate?

Mr. DERWINSKI. Just last week, they announced what they called an amnesty. I don't think we know the exact numbers involved yet, but among those involved will be people who were arrested for human rights violations which are of particular concern to Members of Congress and this committee. We think it is a major step, a very positive step, and we think it also indicates the positive impact of our constant prodding for human rights improvements.

Chairman GIBBONS. Mr. Derwinski, in your view, has the situation in Romania in regard to religious freedom and human rights observance deteriorated in recent years?

Mr. DERWINSKI. In my opinion, it has slowly improved.

Chairman GIBBONS. For the record, would you state how many years you have been involved in observing this kind of conduct?

Mr. DERWINSKI. My interest commenced way back in 1959 when I was first elected to Congress, and I was one of the original sponsors of what was known as the Captive Nations Act, which focused primarily on Eastern Europe. My first trip to Romania was back in 1963. I have been there probably a dozen times since then.

I believe that while there are always ups and downs in any policy area. Overall, I think the religious situation in Romania today is somewhat better than it was 25 years ago.

Chairman GIBBONS. You stated in your written statement that you were afraid of retaliation against the Romanian people who want to emigrate if we should remove MFN.

Would you elaborate on that?

Mr. DERWINSKI. I believe we would lose our leverage on individual cases. I think we would find the Romanian Government nowhere near as cooperative in the program we have set up with them whereby we, in effect, match our list of people who are eligible for United States visas with their pattern of issuing passports—a very workable, practical program.

We would find, I believe, that immigration would diminish, and there would be difficult cases which we couldn't help solve if we didn't have MFN to work with.

Chairman GIBBONS. You and your colleagues speak for the administration on this question, that MFN, the condition of MFN, we have granted in the past to Romania should be continued for at least 1 more year. Is that correct?

Mr. DERWINSKI. Yes; that is the President's determination.

Chairman GIBBONS. Thank you very much.

Mr. Crane.

Mr. CRANE. Thank you, Mr. Chairman.

Touching upon the Jackson-Vanik provisions, first of all—and I would address this to our distinguished former colleague who is out of uniform today—does, for example, Romania impose more than a nominal tax on emigration or on visas or other documents required for immigration?

Mr. DERWINSKI. Some years ago, as noted in earlier discussion, they imposed by law a very substantial emigration tax. They have not, in fact, enforced that.

Mr. **Crane**. They are not enforcing it now?

Mr. **Derwinski**. Not to my knowledge.

Mr. **Crane**. How about denial of the right of opportunity to emigrate? Can you say they are not denying the right of opportunity to emigrate to their citizens?

Mr. **Derwinski**. No.

I will say that they have cooperated with us in issuing passports to those Romanian citizens who qualify for United States visas, which is basically what we asked of them, and they have met that standard.

Mr. **Crane**. What you are saying basically then is, in 1985, there were only 17,350 people who wanted to emigrate; is that correct?

Mr. **Derwinski**. What generally happens is that the numbers early in the year are below average, and then gradually increase. They announced just 2 weeks ago there would be—I think the specific number is 1,092. I am going completely out on a limb. My prediction would be that the emigration this year to the United States will be in the neighborhood of 2,200 to 2,500.

Mr. **Crane**. In terms of total emigration—for example, 1986 figures, the 717 prior to the announcement of the 1,092—4,500 to Israel, 3,700 to the Federal Republic of Germany—that is all the people that wanted to get out; is that right?

Mr. **Derwinski**. No. The number that we have received—that is a number through May 31. That is why I make the point about looking at the total for the whole year. I suspect the numbers reaching the United States will be somewhere between 2,200 and 2,500.

We are told informally by the Federal Republic they expect the numbers of people immigrating there to be consistent with the numbers in recent years.

Mr. **Crane**. Why was there such a dramatic fall off in immigration between 1984 and 1985? Figures I have are 21,284 in 1984, and it dropped to 17,350 last year, notwithstanding the President's waiver giving them MFN again conditionally last year.

Is that because nobody else wanted to emigrate?

Mr. **Derwinski**. No. There was a backlog that took time to clean up. In addition to that, they, if you will notice—I think you are using the same chart I am—that their numbers for the Federal Republic are almost the same, a very small drop there. The drop in Israel wasn't so much a drop if you compare 1983 to 1985. It is almost identical.

And I should add, as you well know, Mr. Crane, the Jewish population of Romania is now below 25,000.

Mr. **Crane**. Aren't they mostly senior citizens and they figure after that generation is gone there won't be any more Jews?

Mr. **Derwinski**. I think the average age—I was told in my recent visit there that two-thirds of the Romanian Jews were over 60. Some just don't wish to leave. By coincidence, I was in Bucharest, and there were two members of American Jewish organizations who were there looking over a number of programs aiding the Romanian Jewish community which they support, and they told me they were completely satisfied with the cooperation they received from the Romanian authorities.

Mr. **Crane**. So, you are prepared to say, representing the State Department, that any Romanian citizen who wants to emigrate will not be harassed in any way and will be granted the right to emigrate? That is the official State Department——

Mr. **Derwinski**. We are confident any Romanian citizen who qualifies for a United States visa will——

Mr. **Crane**. So it is only to the United States?

Mr. **Derwinski**. I don't think you are asking me to speak of their immigration patterns to France or Canada or anything. I wasn't aware that that was an area—under my jurisdiction.

Mr. **Crane**. The language of Jackson-Vanik deals with a denial of any citizens a right to emigrate or opportunity to emigrate; that that is one of the provisions of Jackson-Vanik.

Mr. **Derwinski**. Yes. And that is why we make the point that our figures show they have consistently met the emigration criterion.

Mr. **Crane**. Just to the United States; is that it?

Mr. **Derwinski**. Yes.

I realize that sometime in the very near future the House will have under consideration its version of immigration reform. Unless the numbers are drastically increased to allow millions of people to migrate to the United States annually, you are working under numerical limitations across the board. There is no Mariel boat lift in the cards, as I understand it, for Romania.

Mr. **Crane**. So what you are saying, then, is the Jackson-Vanik does not deal with the right of immigration; Jackson-Vanik deals only with filling United States quotas of immigration?

Mr. **Derwinski**. No. What I am saying is, since Jackson-Vanik, the Romanian immigration to the United States has substantially improved; that currently we are hoping that we will reach a point where the annual flow will meet the number of Romanians eligible for United States visas. And that would be as good as one could expect.

Mr. **Crane**. Do you have the figures? And I am assuming that our numbers of Romanian emigrants that we let in here is probably—I am guessing—remained pretty constant for quite a number of years, antedating Jackson-Vanik.

Is that not right? How many Romanians a year do we permit into the United States?

Mr. **Derwinski**. Numbers, starting in 1976 when the impact of the law was felt, there were 1,021 in 1976. The peak was reached in 1984, 4,500; and then last year, 2,900, which was the third largest number in the last 10 years.

Mr. **Crane**. So we let as many as 4,500—what is our numerical figure—do you know?—for Romanian emigrants allowed to come in here annually?

Mr. **Derwinski**. The numbers depend on those people who fit the criterion of our Immigration Act. The INS would give you more detailed figures than I have at my disposal here. But, basically, the approval rate of Romanians being processed under the agreement we have with the Romanian Government—we are now almost current—people they issue passports to who then qualify for United States visas.

Mr. **Crane.** So I can safely assume Jackson-Vanik does not deal with the right of immigration in universal terms, but it deals exclusively with the right of immigration into the United States?

Mr. **Derwinski.** All I am testifying to is the immigration numbers for Romania, which we believe have been very positive as a result of Romanian compliance since 1975 with the spirit of Jackson-Vanik.

Mr. **Crane.** Do you know what the figures were for 1974?

Mr. **Derwinski.** 407.

Mr. **Crane.** 1973?

Mr. **Derwinski.** 469.

Mr. **Crane.** Why do Communist countries let anybody out? For example, Cuba; as I cited earlier, Cuba has had three times better track record over the same timeframe on emigration as Romania. Why would a Communist country let people emigrate that way?

Mr. **Derwinski.** I think in the case of the Cubans, you did yourself note the Mariel boat lift, which distorts——

Mr. **Crane.** If you exclude Mariel, they still have had a threefold increase during the last decade, in contrast to less than a doubling on the part of the Romanian emigrants.

Mr. **Derwinski.** My personal analysis would be that if you keep in mind the great number of Cubans who came to the United States at the time Castro was taking over, who are now United States citizens, there are many more Cubans proportionally who qualify for visas, United States immigrant visas.

Romanians historically have not had, by comparison with other Eastern European countries, a large flow of emigrants, nowhere near the numbers as the Czechs, Poles, or the various peoples of Yugoslavia.

Mr. **Crane.** Can you explain why in looking at those immigration figures—I don't know the total population of Hungary, but it is substantially larger than Romania.

Mr. **Derwinski.** Hungary is smaller than——

Mr. **Crane.** What is the population of Hungary?

Mr. **Derwinski.** About 10 million.

Mr. **Crane.** All right, well even so, the average number of emigre per year out of Hungary is 85 to 90. In 1985 it was 103. Are they conforming also to the Jackson-Vanik?

Mr. **Derwinski.** Yes, they are. In fact, I think—I am not slipping off your point, but I think we do agree that it is often said that if we had the country in Eastern Europe that had Romania's foreign policy independence and Hungary's liberalization in certain domestic areas, we would have probably the most progressive Communist government in the world. However, if we had a country with Hungary's total subservience to the Soviet Union in foreign affairs, with Romania's domestic policy, you would have the worst situation.

So in Hungary and Romania, you have got an interesting contrast. In one, we are pleased that there have been internal adjustments over the years, although I might add they haven't worked too well because the very nature of the country's government stifles economic growth.

Romania's foreign policy independence is very different from that practiced by Hungary.

Mr. **Crane**. Do you think if it hadn't been for Budapest in 1956 we might have had a better relationship with a more independent Communist regime in Hungary?

Mr. **Derwinski**. I think the heart of the problem goes back to the diplomatic mistakes during World War II. We permitted the Soviet Union to move into Eastern Europe rather than——

Mr. **Crane**. All I am suggesting is that I think the Hungarians learned the hard way in 1956, the price of trying to pursue any real meaningful independence, and do you honestly believe that if Romania tried to pursue a light degree of independence what happened in Budapest in 1956 or Prague in 1968——

Mr. **Derwinski**. The Romanians have made some very careful, practical foreign policy moves. They have gotten away with it. For example, they decided not to follow the Soviet Union on an Olympic boycott in 1984. I might remind you that that was very much appreciated by the American public. They have their embassy in Israel. They have been helpful in many other areas.

Mr. **Crane**. But are you saying there is some cause and effect relationship between most favored nation and that degree of independence you cite?

Mr. **Derwinski**. Actually, many of their independent foreign policy positions predated most favored nation.

Mr. **Crane**. That is the point I was going to get at. They have recognized Israel since 1967. Israel had nothing to do with the most favored nation. How about participation of Warsaw Pact countries, that antedates most favored nation.

Mr. **Derwinski**. That is why just before I appeared here, Mr. Crane, I checked my own record to see I wasn't here flying false colors. I am pleased to tell you that when I served with you here in the House, I supported most favored nation for Romania.

Mr. **Crane**. I checked too.

Mr. **Derwinski**. Primarily because of my recognition of their foreign policy position.

Mr. **Crane**. But my point is that all of these foreign policy positions, from the standpoint of your testimony you make two distinctions politically, they have maintained a degree of independence but that antedates most favored nation. In the political arena you cited a degree of independence that antedates most favored nation and all I am suggesting is that there is no cause and effect relationship (a), (b), from the standpoint of their need for foreign exchange. Even if they had no most favored nation, it is enormously beneficial to have access to our markets. They would continue to attempt to ingratiate themselves just to be able to have assets. They have gotten an overwhelming trade in their favor with the United States.

Mr. **Derwinski**. I am also suggesting that Romania has very properly met its international debt obligations. Romania is sometimes criticized for the austerities imposed on the public to meet balance of trade payments and to meet their foreign obligations. If they didn't, if they turned out to be deadbeats, we would be accusing them for that. Yet, they are meeting their international payments, and then they are in turn criticized for the internal management of their economy and the harsh life that the Romanian citizens suffer.

Mr. **Crane**. Speaking of debt?

Mr. **Derwinski**. A no-win situation.

Mr. **Crane**. Speaking of deadbeats, I have a question for Mr. Holmer. Are there not 15 nations in the world, are they not in there with regard to dumping violations in the United States? I mean, one of the worst dumpers in our markets?

Mr. Holmer. In terms of the number of cases I would be surprised if they were that high.

Mr. **Crane**. I think it is No. 14 to be exact.

Mr. Holmer. I do recall a number of dumping cases that have been filed against Romania. We would be happy to supply details for the record for you.

Mr. **Crane**. We checked it and they are No. 14, Mr. Chairman.

Let me quickly ask one final question for the counselor. The International Security and Development Act of 1985, as I think I indicated to Paul Tribble when he was here, gives the President the authority to ban importation of goods into the United States from any country that supports, harbors terrorists or terrorist organizations.

One, Romania was one of those countries that should have come under consideration for this on the grounds of one engaging in the assassination of expelled dissidents and other opponents.

Two, the 1981 bombing of Radio Free Europe in Munich.

Three, running training schools and sabotage and guerrilla tactics or members of Western Communist parties.

Four, providing political and material support for terrorist attachments for PLO.

And five, secretly cooperating with Libyan security forces.

Now, I and 24 colleagues sent a letter to the President on April 15, and that letter, my understanding is, was referred to your shop. I still haven't heard any answer to it. Are you familiar with it?

Mr. **Derwinski**. You mean the State Department?

Mr. **Crane**. Well, my understanding is that it got referred more directly to you. At least you are getting blamed for not responding.

Mr. **Derwinski**. First——

Mr. **Crane**. Knowing the State Department intrigue, I can understand how someone might do that to you but——

Mr. **Derwinski**. I would suggest that on the points you raised that perhaps what you should ask for is a briefing for the committee by the intelligence entities. I think that would be a more useful approach. I personally—in fact, I think I can say this for the department—we are not aware of the Romanian Government being involved in any training of PLO or any other Middle East terrorist groups.

Mr. **Crane**. I think it would have been more appropriate for the White House to have rooted that through the CIA, I agree, and I would not anticipate that the State Department necessarily would be equipped to respond to those questions, but the fact is, we have had no response to date. As I say, that letter was mailed to the President on April 15.

Let me quickly hear from Mr. Vargo and then I will yield, and I thank you for your indulgence, Mr. Chairman.

The largest export item from Romania are fuels and lubricants and according to your department, in 1985, Romania exported $4 million worth of mineral fuels and in 1984, $514 million to us. Is it not true that during the height of the severely cold winter of 1985, the Ceausescu regime turned off the natural gas in Bucharest.

Mr. VARGO. I don't know that as a fact. The winter was extremely severe, energy was in very short supply, Romania was diverting all of its energy for the export market.

Mr. CRANE. For export. Freeze the little babies at home but make sure you capitalize on the U.S. foreign exchange.

Mr. VARGO. Ceausescu had put them under a very severe internal austerity program.

Mr. CRANE. According to the former deputy director of their department of foreign intelligence, Romania was able to secretly obtain the entire U.S. national hybrid corn collection and in July 1978 estimated they saved over $300 billion in R&D costs because of that.

Is it not true that Romania is the principal producer of corn in Eastern Europe?

Mr. VARGO. I don't know if Romania is the principal producer of corn. I do know in Eastern Europe, I know that we and other agencies have looked very carefully at all the allegations of technology diversion to Romania. Commerce Export Administration officials have informed me that they have no direct knowledge that Romania is a leading country in diverting U.S. technology to the U.S.S.R. Romania is not considered to be much a risk as some other East European countries.

Mr. CRANE. So, to the best of your knowledge, Mr. Petrescu doesn't know what he is talking about?

Mr. VARGO. I have not read his statement, but I can tell you that the Department of Commerce and other agencies have looked at all allegations of technology diversion from Romania very carefully and have not found them.

Mr. CRANE. My understanding is Mr. Pacepa has been extensively debriefed, but you folks haven't talked to him?

Mr. VARGO. We have not directly, no.

Mr. CRANE. I would think that would be worthwhile in light of the allegations that he has made.

Isn't it true that U.S. exports of corn to Romania dropped from 1.8 million metric tons in 1980 to 200,000 metric tons in 1985, and we have yet to export one kernel of corn this year?

Mr. VARGO. Our exports of agricultural products this year, 1986, have grown very sharply.

Mr. CRANE. Have grown?

Mr. VARGO. Oh yes. Our agricultural exports to Romania in 1986 are up 80 percent over 1985 so far. Our trade deficit has dropped to about $450 million.

Mr. CRANE. How much corn have we exported to them?

Mr. VARGO. $15,578,000.

Mr. CRANE. In corn?

Mr. VARGO. January through March 1986, yellow corn.

Mr. CRANE. Those are not the figures that I got from the Agriculture Department.

Mr. VARGO. Perhaps those were the figures for 1984. I notice that in both 1983 and 1984 there were zero exports and there were also

$9 million of U.S. corn exported last year. Over $15.5 million of yellow corn was sold during the first 3 months of this year.

Mr. **Crane**. The Foreign Agricultural Service let me down with their figures. Going back to Pacepa's statements, the complete blueprints for newly designed American aluminum rolling mills were used as the basis for constructing high capacity aluminum foil and sheet metal factories which were scheduled to go into production between 1982 and 1984. Is it not true that the export of aluminum foil went from zero dollars in 1983, to almost $18 million by 1984?

Mr. **Vargo**. I would have to check.

Mr. **Crane**. Mr. Pecepa also notes that three glass factories were built from 1976 to 1980 based on illegally obtained intelligence provided by an American engineer in order to flood the American market with glass products at dumping prices. Is it not true that Romanian exports to us of cut glassware increased tenfold between 1981 and 1985, going from $112,000 to $1.2 million by 1985?

Mr. **Vargo**. This is Romanian exports of glassware?

Mr. **Crane**. Right, and at dumping prices.

Mr. **Vargo**. The exports of glassware from Romania to the United States have risen. Still, exports to the United States are relatively small, around $5 million worth or so. We have had no allegations of dumping. You mentioned dumping cases earlier. In truth, while there have been a lot of dumping allegations, the record shows that there have been only three dumping cases against Romania, all of them in steel, all of them withdrawn after Romania entered into the steel agreement with the United States.

Mr. **Crane**. What I am suggesting is they ain't the best kind of trading partner for openers.

Second, they have run up a very considerable favorable balance of trade against us.

Third, they are doing it at the expense obviously of their own people, as you indicated when they turned off the gas in the winter of 1985 in Bucharest.

So I don't see the economic benefits out of this most favored nation. I do see reasons though why if I were the Romanian Government, even if I didn't have most favored nation I would be aggressively promoting expanded trade with the United States. It clearly works in their interest. The tradeoffs of giving them most favored nation when their Government has the kind of human rights track record they do, and the other kinds of abuses, that just seems to me we are engaged in a self-defeating policy.

On the human rights, to get back, Ed, which country has the better human rights record, Poland or Romania?

Mr. **Derwinski**. Overall, probably Poland.

Mr. **Crane**. Absolutely. I couldn't agree with you more.

Mr. **Derwinski**. Again, not to be blunt, you have the one very practical reason—that is, that the Polish Government has been faced since the end of World War II with a totally solid Roman Catholic Church of unusual strength in that country, and therefore, all the Polish governments since World War II have been somewhat constrained in imposing as much authority as some of the other East European governments have on their respective people.

Mr. CRANE. One final question for you also, Ed. This deals with the Romanian Chief of Economics in New York, Mr. Fodor. Are you familiar with that case?

Mr. DERWINSKI. Yes sir. That is one of the cases we have continually raised. That has been a tough one.

Mr. CRANE. A tough one since 1982. His wife and child have been held hostage in Romania, is that not correct?

Mr. DERWINSKI. I don't know their precise physical treatment. I do know that Mr. Fodor is at the top of our list. We raise the case continuously.

Mr. CRANE. Just one that they kind of shrug off?

Mr. DERWINSKI. We haven't been able to resolve that one.

Mr. CRANE. Would they like to come to the United States, presumably?

Mr. DERWINSKI. I believe they do.

Mr. CRANE. Is the Government denying them the right or the opportunity to emigrate?

Mr. DERWINSKI. The Fodor case was raised personally by Secretary Shultz with Mr. Ceausescu. We also at the same time, delivered a personal letter from President Reagan to Mr. Ceausescu which mentioned Mr. Fodor. Frankly, the Romanians consider him a defector and they just haven't budged yet.

Mr. CRANE. He may be a defector, but how about his wife and child? I mean, are you suggesting that they don't want to come to the United States?

Mr. DERWINSKI. No, I am not suggesting that at all. I am just telling you the Romanian Government has not cooperated in that specific case.

Mr. CRANE. That is in direct contravention of the fundamental principles of Jackson-Vanik, and for all of the preferential treatment we have given them, that at least is one case you know of where they are violating the thrust of the Jackson-Vanik amendment.

Mr. DERWINSKI. The point is that this is probably the most difficult case we have. We are continually raising it and someday we hope they will bend.

Mr. CRANE. You are assuming, I take it, that that is an isolated case, there are not other comparable cases?

Mr. DERWINSKI. It is the toughest case we have.

Mr. CRANE. But not——

Mr. DERWINSKI. We have had other cases drag on 2 or 3 years but we have finally been able to get them solved. We just had the recent case of Mr. Catarama, who was in jail 4 years. He is out of jail, hopefully on his way to the United States. You can't win them all.

Mr. CRANE. I thank the gentleman for his testimony.

Chairman GIBBONS. Mr. Schulze.

Mr. SCHULZE. Thank you, Mr. Chairman.

Mr. Derwinski, will you enlighten me and take me step-by-step through the rules and regulations or the functions which must be performed by an average citizen to apply and ultimately be able to emigrate from Romania. In other words, that is the heart of——

Mr. DERWINSKI. I can't, but Tom Lynch, our Romania desk officer, I think he is better equipped than I to answer that.

Mr. **Lynch**. It is a complicated process.

Mr. **Schulze**. We want all the complications and I also say that when you give us what it is, right now, then I want to know what it is in perspective, so you understand where I am going.

Mr. **Lynch**. The Romanian emigration process involves a decision of a family that they want to leave Romania. They must go to their local police station or passport office and apply.

Mr. **Schulze**. You must go to the local police station or passport office and apply for the application forms? I don't want to interrupt. Who makes the decision as to whether you go to a police station, which in itself is kind of intimidating versus a passport office, and what is the difference?

Mr. **Lynch**. That was careless on my part. There is a passport office in every large Romanian town. That is the place that the applicant goes.

Mr. **Schulze**. He does not go to the police station?

Mr. **Lynch**. He goes to the passport office.

Mr. **Schulze**. But that has nothing to do with the police station?

Mr. **Lynch**. It is a police function in Romania.

Mr. **Schulze**. It is a police function?

Mr. **Lynch**. Yes sir.

Mr. **Schulze**. Is it usually in the same building or location as the——

Mr. **Lynch**. Sometimes.

Mr. **Schulze**. But not usually?

Mr. **Lynch**. Depending on the size of the town.

Mr. **Schulze**. OK. What we are talking about here is an increasing freedom of emigration?

Mr. **Lynch**. Yes.

Mr. **Schulze**. That is what I think is very important. I think the fact if I have to go to the police station to apply for emigration, that in itself is intimidating. That is why I am asking the question. Will you continue?

Mr. **Lynch**. The individual makes application to or seeks the preapplication forms. These are the forms to apply for a passport.

Mr. **Schulze**. I am still having a hard time hearing.

Mr. **Lynch**. The individual seeks the forms to apply for a passport, the so-called preforms.

Mr. **Schulze**. Preapplication forms.

Mr. **Lynch**. That is correct. This is the most difficult step of the passport application process. It can take a long time. Frequently, the applicants are rejected.

Mr. **Schulze**. Any idea what that form entails, this preapplication form? I would someday like to emigrate or——

Mr. **Lynch**. My understanding is that the form involves saying that the individual would like to emigrate to such and such a country and that is all.

Mr. **Schulze**. I have gone to the application station, I have got my preapplication form, but I take it home and fill it out and return it. Do you sit down and in turn fill it——

Mr. **Lynch**. I am not sure.

Mr. **Schulze**. So I fill out the preapplication form, I turn that in to either the emigration official or the local police, whoever it happens to be?

Mr. LYNCH. Correct.

Mr. SCHULZE. Now, take me from there.

Mr. LYNCH. Then there is a long waiting period.

Mr. SCHULZE. What does a long time mean, 3 hours or 30 weeks?

Mr. LYNCH. Weeks, sometimes several months. A decision is received usually, I think, by mail. It is a communication to the applicant stating that your request for applications forms was rejected or accepted, a box is checked.

Mr. SCHULZE. This is a preapplication form but at this point rather than applying for emigration you are applying for a preapplication form and at that point you can be rejected or accepted?

Mr. LYNCH. That is correct.

Mr. SCHULZE. Do we have any figures on the percentage of rejections or acceptances?

Mr. LYNCH. We have no figures on that.

Mr. SCHULZE. So that if 99 percent were being rejected in the preapplication form, we would not really know that?

Mr. LYNCH. We know that the rejection rate in the preapplication process is much higher than in the formal application process.

Mr. SCHULZE. Continue, please. I have applied, again for my preapplication form. Four months later I get a letter saying that I have been accepted.

Mr. LYNCH. Then you receive what are called the long forms. You fill them out.

Mr. SCHULZE. Do I get those in the mail or do I have to go again to the police station?

Mr. LYNCH. I think you have to go to the passport office.

Mr. SCHULZE. During the preapplication period, am I ever interrogated by police or anything like that? Do we have any instances of that? Do we sit and wait, is there an interrogation or investigation process in that decision?

Mr. LYNCH. Possibly sometimes.

Mr. SCHULZE. Is there ever any intimidation?

Mr. LYNCH. There have been instances of that.

Mr. SCHULZE. So that it is possible that if I put in a preapplication form, that I might be intimidated in some way?

Mr. LYNCH. It is possible.

Mr. SCHULZE. Would that include threats of loss of job, would that include beatings, would it include jailing, questioning? What parameters are we talking about.

Mr. LYNCH. Physical intimidation, probably not, and I have been dealing with Romania for a long time. That would be an exceptional development. Threats of loss of job—we have assurances from the Romanian Government that application for emigration and approval of application for emigration shall not result in demotions or loss of jobs.

Mr. SCHULZE. But is an individual, to your knowledge, ever called in by the local Communist Party or the local factory representative and told, comrade, you realize what you are doing, you are liable to lose your job? Are they ever ostracized by others? In other words, are they shunned, do other people——

Mr. LYNCH. Sometimes that is possible.

Mr. SCHULZE. Now, please continue with the process.

Mr. LYNCH. The long forms are obtained and are filled out, they are sent in, and in I would say the strong majority of cases, passport applications are approved at that point.

Mr. SCHULZE. Do we have any figures on this? The numbers of applications versus approvals?

Mr. LYNCH. We are not privy to those, no.

Mr. SCHULZE. It seems to me several years ago that we did have some figures on that and that is why they went to the preapplication forms because there were statistics on the number who applied.

Mr. LYNCH. Preapplication dates back to 1976. That I am certainly aware of. I don't know.

Mr. SCHULZE. So you say at this point most people, the majority of those who have applied, are granted. Is there any coercion or intimidation during this period?

Mr. LYNCH. Coercion or intimidation of——

Mr. SCHULZE. From the state, from the police, from coworkers, from employers, supervisors? Let's say a child is in school, are they told they won't go to the university or they will get such and such a job, they are in line for a promotion, they are not going to get it? All of those things I would view as intimidation.

Mr. LYNCH. Our recognition of the problem in the area of domestic rights was what prompted negotiations in 1985 on emigration procedures from Romania to the United States. Hence, remember now, we have assurances from the Romanians that except if——

Mr. SCHULZE. Pardon me. When you say in this area we have a problem, that means you presume that there have been abuses?

Mr. LYNCH. Yes, sir. Again, it was our recognition of these abuses that led to these negotiations in 1985 of emigration procedures. We have assurances, as is outlined in Mr. Derwinski's written testimony, that except in cases of employment incentive sectors, individuals applying for a passport or receiving them will not be demoted or transferred in jobs.

Mr. SCHULZE. Now, do we know that this is happening? The agreement was demoted or what?

Mr. LYNCH. Or transferred.

Mr. SCHULZE. How about university students, did we negotiate anything about that? It is all right to kick them out of school?

Mr. LYNCH. We strongly object to that.

Mr. SCHULZE. Friends or relatives, is it all right to transfer them or demote them or has any of that happened?

Mr. LYNCH. We have an understanding that sanctions against intending emigrants will not be normally applied. It is the impression of our consulate in Bucharest that the application of these sanctions had decreased in recent years.

Mr. SCHULZE. The application?

Mr. LYNCH. Of sanctions.

Mr. SCHULZE. Has decreased in recent years?

Mr. LYNCH. That is correct.

Mr. SCHULZE. Now, that is fairly important because what we are saying in Jackson-Vanik is that emigration should be more free. What we are saying here is that the application of—I don't want to use inflammatory rhetoric and say terrorist tactics—the application of pressure has decreased, the undue pressure has decreased.

That is almost a negative, isn't it? We are saying it feels so good to stop pounding our heads against the wall, it feels good when you stop. We are saying it is nice of them to stop this undue pressure, it is nice to stop beating people, it is nice to not transfer them, not fire them, and just basic things like that, just sort of normal human behavior?

Mr. LYNCH. We are not talking about niceness, we are talking about the Romanian people who are to come to the United States, who leave Romania.

Mr. SCHULZE. We are talking about treatment of one's citizens.

So at this point, we have gotten a preapplication, 90 percent or so of the people who applied didn't get it. We have the remaining 10 percent, most of them are now granted. I receive something in the mail. Do I get a passport or is it again—do I go to the police station and get it? What did I get that says to me you are free to go?

Mr. LYNCH. As of the middle of last year, and if you are going to the United States, you receive a piece of paper which says that your application form permit for departure from Romania has been approved.

Mr. SCHULZE. Then what happens? Am I free to sell my home or any assets or furniture and gather that money in a little bundle and put it in my pocket and get ready to buy a ticket on an airline?

Mr. LYNCH. Not yet. You are probably going to be going to the American Embassy.

Mr. SCHULZE. I have not gone to the American Embassy all during this time. It is not time?

Mr. LYNCH. No, you should have gone to the American Embassy before you——

Mr. SCHULZE. Before the preapplication?

Mr. LYNCH. That is right.

Mr. SCHULZE. Do you want to go back there and tell me what that process is? Just very briefly tell me what that process is.

Mr. LYNCH. At the American Embassy?

Mr. SCHULZE. Yes.

Mr. LYNCH. You are interviewed by a consular officer for your qualifications to receive an American visa.

Mr. SCHULZE. Then if I am told no, the odds are I would not apply for a preapplication?

Mr. LYNCH. That is correct.

Mr. SCHULZE. A good assumption?

Chairman GIBBONS. May I interject? It seems to me at one time we had more—Romania had granted passports than we had acceptances in this country.

Mr. SCHULZE. We discussed that earlier. They did put a flood on for a show. I do remember that.

At this stage now, we have received permission to leave, then we go back to the American Embassy. Then what happens? We are either approved or disapproved?

Mr. LYNCH. Under the procedures that we worked out last year, you already know if you are a approved or disapproved, but you receive a letter from the American Embassy, a "to whom it may be concerned letter," which is called a certificate of eligibility. It establishes, for the benefit of Romanian authorities your own qualifications to receive an American visa.

Mr. SCHULZE. Now, at this point, in most instances, is this done by an individual or a family? Let's say as head of the household, I have gone through this process. In most instances, would my wife and children be going through this process at the same time, would they be granted, or would it just be given to me and not to them?

Mr. LYNCH. It would be for your family.

Mr. SCHULZE. It would be in all instances, some instances, or most instances?

Mr. LYNCH. The overwhelming majority that I am aware of——

Mr. SCHULZE. Most instances?

Mr. LYNCH. Yes.

Mr. SCHULZE. There are some instances where I might be granted that but not——

Mr. LYNCH. I cannot offhand think of any individual instances. I suppose it is possible.

Mr. SCHULZE. Now, at this point, am I free with this letter and my visa and passport, am I free to sell my worldly possessions and gather my money up and buy a plane ticket?

Mr. LYNCH. Yes sir.

Mr. SCHULZE. And the Government in Romania has no further restrictions on my leaving, I can just bundle and walk across the border and do whatever?

Mr. LYNCH. There are a number of predeparture formalities which must be completed.

Mr. SCHULZE. What are they?

Mr. LYNCH. These involve disposal of real property, settlement of all bills, obtaining the certificates that there are no criminal or other prosecutions pending against you.

Mr. SCHULZE. Would I have been granted this if there were criminal prosecutions pending?

Mr. LYNCH. No.

Mr. SCHULZE. So that the odds are any problem with selling property and settling——

Mr. LYNCH. Problem with selling property, no.

Mr. SCHULZE. There is not?

Mr. LYNCH. Disposing of the proceeds, yes.

Mr. SCHULZE. Explain that to me.

Mr. LYNCH. That is your next question?

Mr. SCHULZE. Yes.

Mr. LYNCH. Well, there is a problem applied in terms of currency conversion. It is illegal to take Romanian leu out of Romania as such.

Mr. SCHULZE. It is illegal to take virtually any Romanian leu—

Mr. LYNCH. Virtually any.

Mr. SCHULZE. Go ahead.

Mr. LYNCH. It is contrary, as I understand it, to Romania currency controls to hold dollars or other convertible currency within Romania.

Mr. SCHULZE. So that all during this process, I am doing it with the knowledge that whatever worldly goods I have acquired, I will not be able to sell them, take the money with me, to this new life I am going to begin?

Mr. LYNCH. To take them with you, probably not.

Mr. SCHULZE. I guess what I am getting at, that is a pretty great sacrifice, knowing that you are not only leaving your homeland but that you are going almost virtually penniless?

Mr. LYNCH. You are leaving your home. In a lot of cases individuals simply deed their homes or apartments over to close relatives. That is possible. Inheritance rights do exist.

Mr. SCHULZE. And so, now, I have sold everything, say I do sell, and I have got 5,000 leu. What do I do with that? Can I get out and hope they don't catch me at the border?

Mr. LYNCH. It is contrary to the law to take virtually any amount of leu out of the country.

Chairman GIBBONS. It is not worth anything anyway.

Mr. LYNCH. Precisely.

Mr. SCHULZE. If I do have this money in my pocket and I go to the airport and I am caught, can the whole thing be scrapped at this point? Can I then be thrown in jail and say you are not going to leave?

Mr. LYNCH. It is not my call. That is not my call.

Mr. SCHULZE. You don't know of that ever happening?

Mr. LYNCH. No, I am not aware of that ever happening.

Mr. SCHULZE. And so what usually happens is that the citizen will turn that money into where again, the local police station or emigration office or——

Mr. LYNCH. I am not sure. I know that in some cases individuals have bought things in Romania that they could legally take out.

Mr. SCHULZE. Antiques or——

Mr. LYNCH. Antiques, no.

Mr. SCHULZE. No? What could you buy that would be of value that you could—crystal chandeliers?

Mr. LYNCH. Yes, sir.

Mr. SCHULZE. Chandeliers or oriental carpets?

Mr. LYNCH. Glassware.

Mr. SCHULZE. Pretty depressing.

I thank you very much.

Chairman GIBBONS. I thank you, too.

Mr. SCHULZE. I have many more questions. I regret I didn't come earlier. Not going by the normal way of questioning, there hasn't been a limit, but I will not insist.

Chairman GIBBONS. You go right ahead. I am not stopping you.

Mr. SCHULZE. I think it was important that we understand the emigration process.

Chairman GIBBONS. I agree. I have no objection to it. I want to let all my employees know if they tell me they are going to Romania they are fired. I don't know what you do, Mr. Schulze. If they tell me they are going to Romania, they are fired.

Mr. SCHULZE. Now, a couple of years ago, we put a great deal of pressure on them to eliminate the preemigration form and I understood that in the past part of the negotiations with the administration to grant most favored nation, that that form was going to be eliminated.

Mr. Derwinski, can you either verify or refute it?

Mr. DERWINSKI. I can tell you about the procedure we worked out a year ago in very detailed discussions with the Romanian authorities. Basically, what happens is that as Mr. Lynch indicated, the person does not know whether he or she qualifies for a U.S. visa. A procedure we now have reached is that in order to cure the abuse of somebody being laid off from work or losing his apartment or something of that nature, we now have the procedure where the Romanian Government doesn't issue them their passport, and trigger anything of that nature, unless we tell the Romanian Government they are on our visa list and are ready for processing.

As a result, we are now down to where it just takes a few weeks from the time the person is issued his passport, knowing the visa is waiting for him, and he is able to leave the country.

Mr. SCHULZE. What I am trying to determine—I don't have the Jackson-Vanik language in front of me—it seems to me it is the President's or the administration's role to certify that emigration is freer than it has been, that it is moving toward more open and liberalized emigration.

It is hard for me to make a case, and what I am asking you to do, from what I have just heard, is can you make that case to me, can you tell me, that emigration is freer now than it was 2, 3, 5, 6, 10 years ago? It seems to me there are more barriers now than there were in 1974-75.

Mr. DERWINSKI. I think we can make the case. First, the raw numbers show that since 1975, there has been a substantial increase in emigration. The average, the first 5 years, first of 1971-74 was about——

Mr. SCHULZE. I don't know the numbers show that figure. Mr. Crane asked earlier whether in response to a question whether that was all of the people who wanted to emigrate from Romania, but give me an estimate if suddenly—put a decree out that said all those henceforth who wish to leave may do so, forthwith, how many people would leave? My guess is it would be phenomenal.

Mr. DERWINSKI. It could be millions. Then in turn, we would say, no, no, we have got 2,000 or 3,000.

Mr. SCHULZE. That is here. There are other places in the world that perhaps would like to have——

Mr. DERWINSKI. Western Europe would be attractive.

Mr. SCHULZE. We have some estimates as high as 20 million illegal immigrants in this country.

Mr. DERWINSKI. You could make that point for most of the countries of Latin America and for much of Asia.

Mr. SCHULZE. Has the administration ever revoked or considered revoking most favored nation for Romania?

Mr. DERWINSKI. Yes. In the sense that it is reviewed every year and reviewed very thoroughly.

Mr. SCHULZE. Just normal routine review?

Mr. DERWINSKI. I wouldn't call it a normal review. I would say that, to use the bureaucratic word I hear quite often, they agonize over this and they do it every year and a great deal of attention is given to this issue every year, partly, I may say, because of the interest of Congress. They are very sensitive to congressional Members' interest in our relations with Romania.

Mr. SCHULZE. One of the things that we always discuss in emigration with Communist countries is reunification of families, and it is one area where Mr. Ceausescu said to us he felt they had a very good record. In your opinion, do they have a good record on reunification? I do have the Fodor case in mind. I realize that it is a tough case, but do they have in your opinion, a good record on reunification of families?

Mr. DERWINSKI. I think I can easily say they have a far, far better record overall than the Soviet Union.

Mr. SCHULZE. We are not discussing the Soviet Union.

Mr. DERWINSKI. I say overall. Yes, they have a reasonably good record. In fact, one of the other things we achieved a little over a year ago, on the specific list we give them, there were a number of cases of brides or bridegrooms who married Americans and were delayed in their departure. Those were cleaned up and now are current, to my knowledge.

Mr. SCHULZE. One other question that is on the trade area. How much countertrade is involved with our doing business with Romania?

Mr. VARGO. We don't have any exact figures on it, but it is substantial.

Mr. SCHULZE. I have got to ask you to be more specific than that. You can't say we don't have any exact figures. If you have to get them, get them. I understand that it is substantial. I am concerned about it. I think that some countertrade even borders on economic blackmail. I hate to use that strong a term, and I am very concerned about the countertrade and its use in the international markets and Romania has been a major user of countertrade.

I am concerned about its relationship to dumping and subsidization, especially from nonmarket economy countries, because it poses a great many questions that are not easily answered. So can you be a little more definitive in either percentages or dollars or how are these figures gotten? If they are difficult to come by, is there a way that we can either legislatively help to obtain them, or are you in the process of getting those kinds of figures?

Mr. VARGO. I know of no present way where those figures could be obtained for either Romania or any other part of the world where countries practice countertrade. We know that figures are substantial just from anecdotal information talking with American companies that do business with Romania, but there is no way that we have, we have no way of collecting that information.

Mr. SCHULZE. Who do we collect formal trade information from?

Mr. VARGO. From the Customs declarations that U.S. companies fill out.

Mr. SCHULZE. And if there is equipment or goods coming into this country which has been bartered on a countertrade agreement, how is that valued?

Mr. VARGO. The goods are valued either at the invoice value as they come into the United States or the Customs officials may make an adjustment to what is called the Customs value.

Mr. SCHULZE. So what you are saying is Customs has no way of knowing on that form whether it is involved in countertrade or whether it is a straight sale?

Mr. VARGO. To my knowledge, that is correct.

Mr. SCHULZE. How difficult would it be, or how much would it complicate those forms if a little box were put there just to check whether the countertrade is involved in this transaction?

Mr. VARGO. My guess is it would be fairly complicated because the shippers' export declarations on current Customs forms only ask for the destination and value of goods, they do not get at all into the method of financing. That would be I think a very sharp change in our practices.

Mr. SCHULZE. Could countertrade be used, from your experience, as a method to obtain hard currency, notwithstanding any market value in prices more easily than a regular sale and countertrade?

Mr. VARGO. The reason that Romania or any other country that gets into countertrade does so—this is not of course confined to the Communist countries—Indonesia and many other countries are very heavily involved in countertrade—is because they are unable to sell their goods either because of low quality or for other reasons. Typically, one finds that the goods from Romania or other countries that can find ready markets in the West are not the goods that are offered for countertrade. This is one of many reasons why we don't like countertrade and we would like to see its use in the world eliminated.

Mr. SCHULZE. Do you have any suggestions on how we should either control and/or get a better handle on countertrade? In other words, if I am a businessman and I am going over to Europe to sell product goods or equipment or services, and especially in a nonmarket economy country where I am told whether we like it or not, effectively dealing with the government—we will buy your product at such and such a price, but you are going to have to take something in exchange.

Again, I don't want to use too strong a term as economic blackmail. It is a kind of tough way to do business and hard for any salesman or somebody representing a large concern to stand up to that kind of thing. Is there some way that we could suggest that we either legislate, whether we should look into, whether it is a growing phenomena, whether it is not, you just indicate that it did give you concern, how should we look into doing that?

Mr. VARGO. We are looking into it. We are looking into it in combination with both other industrial nations and with the OECD. This is not something that we can legislate for American companies. We cannot tell American companies that if they want to take something in exchange for their goods other than money, that we are going to prohibit them from doing so. That is up to them and they do so if——

Mr. SCHULZE. We certainly could, we could evaluate them for Customs purposes and determine whether figures should be used, which would—there are a lot of ways that we here legislatively could discourage countertrade. If there aren't, we will dream up a few. So I am concerned about it and if——

Mr. VARGO. We are concerned about it also. I should point out that if the goods come in and there is a concern about them coming in at less than market value, we do have the dumping statutes.

Mr. SCHULZE. Thank you.

Thank you, Mr. Chairman.

Mr. CRANE. Just one final quick three, four questions for you, Ed, before you guys get away.

On Hungarian emigration, does Hungarian emigration law allow an individual under the age of 55 without a relative in the United States to apply for emigration?

Mr. DERWINSKI. Just a second. Tom will answer that.

Mr. LYNCH. Talking about Hungarian emigration, Hungary is not in my competence, but my impression is that age is no impediment to emigration from Hungary.

Mr. CRANE. Well now, my understanding is only those persons who declare that they wish to retain their Hungarian citizenship and therefore request the issuance of a Hungarian passport, instead of an emigration permit, will receive permission to leave the country permanently, and that is from the Library of Congress European Law Division.

Mr. LYNCH. You may know better than I with regard to the detail, but my impression is again that age is not an impediment to departure.

Mr. CRANE. So you are contradicting the Library of Congress?

Mr. LYNCH. I think we better look into that.

Mr. DERWINSKI. We will research that for you?

Mr. CRANE. Second, is the State Department aware of any family or individual who has applied for emigration without close family members in the United States who have been allowed to emigrate?

Mr. DERWINSKI. We will take that and research it.

Mr. CRANE. The third question, how many of this group tried to seek political asylum because there is no provision for emigration?

Mr. DERWINSKI. Basically all this information is either in the Passport Office or the INS. We will research it and get it for you for the record.

[The information was not available.]

Mr. CRANE. The final question, then, is: Does the State Department feel that although Hungarian law disallowing this group to apply for emigration has not changed, that allowing most favored nation has had any effect in allowing this group a better chance at achieving emigration? Again, I would only restate the point I made earlier; it is a clear violation of Jackson-Vanik, and especially when you look at those Hungarian numerical figures, it seems to me that we have not achieved the objectives for which most favored nation was established in the first place.

I thank all of you.

Mr. DERWINSKI. I think we have part of the answer for you.

Mr. COUNTRYMAN. Very briefly, we have only one emigrant visa case with Hungary. That has not been resolved. Hungary has been more flexible than their own laws in issuing emigrant visas. As a result, we have only that single case at this time and that is the basis on which we assess their emigration performance as satisfactory.

Mr. CRANE. Notwithstanding their law prohibiting these people emigrating, they have been flexible in practice?

Mr. COUNTRYMAN. Extremely so.

Mr. CRANE. In all cases whatsoever?

Mr. COUNTRYMAN. As I said, we have only one case of an individual who is eligible for a U.S. visa who has been unable up to this point to get it, and we expect that case to be resolved shortly.

Mr. **Crane**. I still would like to refer these questions to you and get an elaboration of them.

I want to express my appreciation to all of you for the testimony here today and the committee is adjourned until 1 o'clock.

[Whereupon, at 12:50 a.m., the subcommittee was recessed, to reconvene at 1 p.m.]

Mr. **Pease** [presiding]. The hearing will come to order.

We will begin with a panel made of Mr. Eisenberg, Mr. Moses and Jeffrey Collins. Let's begin with Mr. Eisenberg. We will be happy to have your testimony.

STATEMENT OF WARREN W. EISENBERG, DIRECTOR, INTERNATIONAL COUNCIL OF B'NAI B'RITH, ON BEHALF OF THE CONFERENCE OF PRESIDENTS OF MAJOR AMERICAN JEWISH ORGANIZATIONS

Mr. **Eisenberg**. Thank you, Mr. Chairman, members of the subcommittee. I am grateful to have the opportunity to testify today on behalf of the conference of presidents of the major Jewish organizations. I am here with Alfred Moses. Both of us are testifying for the conference of presidents.

I will summarize, basically indicating that the conference and B'nai B'rith, for whom I direct the international council, are cognizant of the repressive policies in force in Romania and the difficulties surrounding human rights. Nevertheless, we take it as a fundamental position that emigration, in effect, is part of any human rights policy and the ability to emigrate is important to us.

Over the years, the Council of Presidents has monitored emigration to Israel by Romanian Jews. The record has been difficult. It has required monitoring of specific cases, close dealings with the Romanians, and there has been something of a constancy in recent years. In 1984, which was one of the best years since MFN has been in force, 1,951 Jews emigrated from Romania. In 1985, the number fell to 1,321. But the figure over more than a decade has oscillated somewhere between 1,000 and 2,000. The best year was just before MFN went into effect, when 3,792 Jews left, and that may be tied to the threat of applying Jackson-Vanik. This year the record isn't so good. Only 405 Jews to date have emigrated to Israel during the first 5 months of this year, but we are hopeful that in the coming months that number will increase.

In the past, there has not been an even flow from Romania of Jewish emigration. Years frequently have started out with a low ebb, and then increased as the debate over renewal of MFN developed, usually that was later in the year. If my memory serves me, the increase, have taken place around July, because, I think, renewal actually occurs sometime in September.

We have some sense of disappointment over the emigration picture, but in looking at the Jewish emigration picture, there are only 25,000 Jews left in Romania today and over the decades since World War II, more than 400,000 have left the country, predominantly to Israel. We believe MFN has been an important tool in maintaining some flow of emigration in more recent years.

You have heard earlier today about emigration to the United States, and I notice in the figures the State Department provided, emigration to Germany, but certainly emigration to the United States is also affected by MFN.

As I have indicated, we feel a disappointment with the lower numbers this year. We recognize the Romanian Government rigidly controls the number of Jews allowed out, and that over the years those able to leave in any given year have seen substantially less than the number seeking to leave.

Despite our disappointment, we recommend continuation of MFN. Part of this is predicated on a concern that a change will negatively affect emigration. A change in policy—that is a suspension or dropping of MFN even for a test of 6 months—could in fact rudely affect the flow of individuals out of Romania. We recognize that Romania's overall human rights record is poor. The Presidents Conference shares the concern about ethnic Hungarians and Christians. But suspending MFN would not serve the cause of human rights, especially as expressed in emigration.

It is our hope that between now and the time of the Senate hearing on MFN that the Romanians will increase the number of Jews allowed to leave for Israel so that 1986 will at least equal last year's emigration figure, which was in excess of 1,300.

I thank you for the opportunity to express our views.

Mr. PEASE. Thank you very much, Mr. Eisenberg.

[The prepared statement follows:]

STATEMENT OF WARREN W. EISENBERG
ON BEHALF OF
THE CONFERENCE OF PRESIDENTS OF MAJOR AMERICAN JEWISH ORGANIZATIONS
TO THE HOUSE SUBCOMMITTE ON TRADE
JUNE 10, 1986

Mr. Chairman:

I am grateful for this opportunity to state the position of The Conference of Presidents of Major American Jewish Organizations regarding a continuation of Most-Favored-Nation status for Romania.

My own organization, B'nai B'rith, a constituent member of the Presidents Conference, has been deeply involved in the welfare of Romanian Jewry since 1870. Jack J. Spitzer, the immediate past president of B'nai B'rith International, has been personally active on the question of Romanian Jewry and has held a number of constructive exchanges with key Romanian leaders, including six meetings with President Ceaucescu during visits to Romania.

The Presidents Conference has had a sustained interest in the condition of the Jewish community of Romania both as to freedom of worship and the right of Romanian Jews to emigrate to Israel or to achieve family reunification in other countries.

The Presidents Conference's involvement in the question of Romanian Jewish emigration heightened following the signing in 1975 of the U.S.-Romanian Trade Agreement calling for each nation to grant the other Most-Favored-Nation treatment with regard to customs, duties, and charges. In waiving the application of sub-sections (a) and (b) of Section 402 of the Trade Act of 1974 for Romania, President Ford notified the Congress that he had received assurances that the emigration practices of Romania will henceforth lead substantially to the achievement of the objectives of Section 402. In this regard, President Ford cited the Declaration of the Presidents of the United States and Romania, signed in 1973, wherein it was stated, "they will contribute to the solution of humanitarian problems on the basis of mutual confidence and good will."

Although the Presidents Conference has consistently supported a renewal of Most-Favored-Nation status with Romania each year since 1975, we have also been less than satisfied with the numbers of Romanian Jews allowed to go to Israel. Emigration to Israel was 3,729 in 1974 -- the last full year before MFN -- 2,372 in 1975, 1,982 in 1976, 1,347 in 1977, 1,141 in 1978, 991 in 1979, 1,043 in 1980 and 973 in 1981. In 1982, emigration climbed to 1,512, but dropped to 1,283 in 1933. In 1984, one of the best years since MFN was granted, 1,951 Jews emigrated to Israel. However, the numbers fell back to 1,327 in 1985, and only 405 have been allowed to emigrate during the first five months of this year.

We recognize that the number of Jews seeking to emigrate must inevitably decline because Romanian Jewry, an aging community, is itself diminishing and today is estimated at 25,000. But it is no less true that the Romanian government rigidly controls the number of Jews allowed out and that those able to leave in any given year are always substantially less than the number seeking to leave.

Despite our disappointment with the emigration picture, we nevertheless believe that Romania's MFN status is important to preserve. For one thing, MFN provides a significant framework for discussing emigration and for dealing with specific emigration cases. Over the years, we have found the Romanian government to be especially responsive on specific cases. It is leverage that we would not have were MFN to be terminated.

MFN is also justified by the Romanian government's stance in the Eastern bloc. Even though the Soviet Union is Romania's principal trading partner, and Romania's economic problems in recent years have increased its dependency on Moscow, it has continued to show some degree of independence in its foreign policy, acting, whenever possible, on the basis of its own national interests rather than those of the Soviet Union. Among the examples is the fact that Romania alone among Warsaw Pact countries maintains formal diplomatic and commercial ties with Israel. These ties, along with its ties with the Arab world, have enabled Romania to play a special role in advancing the cause of

The Presidents Conference recognizes that while Jackson-Vanik addresses emigration as distinct from human rights generally, some members of Congress, along with various individuals and groups in this country, feel that the United States should not extend special trade privileges to a country that evinces so little respect for human rights.

Admittedly Romania's human rights record is poor and B'nai B'rith shares the concerns of others about Romania's treatment of Christians and Hungarians. However, we are convinced that cancelling or suspending most-favored-nation status would not serve the cause of human rights in Romania, and indeed is more likely to exacerbate conditions there. The treaty at least gives the United States a framework for discussing issues and attempting to resolve or mitigate them. Were there no treaty, there would be no ongoing dialogue on human rights and little possibility of exerting positive influence over Romanian policy.

Morever, were the treaty to be ended because of Romania's general human rights performance, it would tend to undermine the integrity of the Jackson-Vanik amendment, which has played a significant role in encouraging freer emigration not only in Romania but in other Bloc countries.

Although the Presidents Conference is not entirely happy with the current emigration figures and despairs over Romania's general human rights practices, we believe that the alternative -- no treaty relationship -- would only make matters worse. We therefore recommend another one-year extension, but with the stipulation that that period should be used to press even more vigorously for human rights changes in Romania.

It is our hope, moreover, that between now and the time of the Senate hearing on MFN, the Romanians will allow greater numbers of Jews to leave for Israel so that 1986 will at least equal last year's emigration numbers.

Thank you, Mr. Chairman, for this opportunity to present the views of The Conference of Presidents of Major American Jewish Organizations.

Mr. PEASE. Mr. Moses.

STATEMENT OF ALFRED H. MOSES, CHAIRMAN, NATIONAL EXECUTIVE COUNCIL, AND VICE PRESIDENT, AMERICAN JEWISH COMMITTEE, ON BEHALF OF THE CONFERENCE OF PRESIDENTS OF MAJOR AMERICAN JEWISH ORGANIZATIONS

Mr. MOSES. Mr. Pease, Mr. Crane, I am Alfred Moses, vice president of the American Jewish Committee. I am appearing today, along with Mr. Eisenberg, on behalf of the Conference Council of Presidents of Major American Jewish Organizations. The conference is the umbrella group that represents some 40 major Jewish organizations in this country. It speaks for those organizations as part of its international mandate on matters pertaining to Israel, and since 1979, on matters affecting Jewish emigration from Romania.

This is not a new matter for me personally. I have met with President Ceausescu beginning with his visit to the United States in 1977, and as recently as February of this year. It has been a constant struggle to use the leverage afforded by Jackson-Vanik to increase the flow of emigrants from Romania to Israel and to persuade the Romanian Government to increase the number of persons permitted to emigrate from Romania to the United States.

We should remember Jackson-Vanik was sponsored by Congressman Vanik, and Senator Jackson, initially as a spur to permitting Jews in the Soviet Union to leave for Israel. That did not come about because MFN has not been granted to the Soviet Union. It did not earn the right to receive most-favored-trade status. Romania qualified. It qualified in 1975.

The record on Jewish emigration has been reasonably good, given the circumstance of a community that is elderly, dwindling in number. There were some 800,000 Jews in Romania before the war, half of whom survived, half of whom died in the concentration camps. Of those who survived, 90 percent have emigrated to Israel. Today there are only some 25,000 Jews remaining. Since this Congress had the wisdom to put Jackson-Vanik into effect, fully one-quarter, 25 percent of the Jewish population of Romania, has emigrated to Israel.

The numbers, as Mr. Eisenberg indicated, increased in 1984, in part because of the leverage afforded us speaking on behalf of Romanian Jewry and American Jewish organizations to persuade the Romanian Government to allow the Jewish people of Romania to go to Israel, and partly because of the dire economic circumstances in that country which spurred emigration. The numbers last year were down a bit. The numbers this year, as of today, are just about on par with last year. Some 471 approvals have been granted, and I have been assured by the Romanian Government officials in this country that Jews seeking to emigrate will be given priority and will be allowed to go.

My interest in that country does not stem from sitting here in Washington and testifying before this committee alone. I have been to Romania four times in the past 2 years. I have traveled from one end of that country to the other. I have accompanied the very remarkable Chief Rabbi of Romania, Dr. Moses Rosen, on his annual pilgrimage visiting 20-some synagogues in communities as far west as the very tip of Transylvania and as far east as Moldavia, up against the Soviet border. I have looked out on a sea of faces of Jewish worshipers, young and old, children and grandmothers and grandfathers, great grandmothers and great grandfathers, and I know what it means to that community to be able to have the right to leave for family unification to go to the land which to them is not simply a holy land, it is the expression of their religious and personal being.

One personal anecdote. In the synagogues, the ancient synagogues of Moldavia up against the Soviet border, synagogues that were built in the 19th century, many of which were destroyed during World War II, have been rebuilt, and on the walls of those synagogues there are freshly painted Biblical scenes painted 100 years ago by persons who had never seen the Holy Land of Israel. But out of their imagination, they painted what they thought it would look like, and those paintings on the walls of the synagogues of Moldavia have been restored by young people today who dream, as did their grandparents and great grandparents, to some day see for themselves not on the walls of synagogues in Moldavia, but with their own eyes, the scenes of the Holy Land of Israel.

Because of MFN, thousands of Jews who would not otherwise have had the opportunity to leave have been able to leave. There is not today a major problem in terms of Jewish emmigration from Romania to Israel, and I can say that based on my experience, which has been extensive and very recent.

Having said that, I hasten to add the situation in Romania is not in all respects a happy one. The Government is an authoritarian government, it controls every aspect of life. The Jewish community is able to express and practice its religious rights without hindrance. That is not true of all faiths. In my most recent meeting with President Ceausescu, I expressed very strongly, as did my companion, Mr. Spitzer, immediate past president of B'Nai B'rith International, what we felt was a need to address important problems, Bibles for the Baptists of Romania. The President said he would not permit Bibles to come into the country. We, therefore, suggested they be printed in Romania, and when he told us he couldn't do that because there was a shortage of paper, we suggested the Bible societies in the United States would send the paper so the Bibles could be printed. Then he suggested to us perhaps that wasn't the problem. We pressed very hard. We pressed to get Mr. Cataranu and Mr. Sfatcu released from prison; they have been released from prison. We are able to intercede, we are able to see officials of the Government and make some progress, however limited, because of the leverage provided by most-favored-nation treaty status that Romania enjoys and wishes to keep.

If that were gone, the leverage would go with it, and the incremental benefit that flows to the people in Romania, those who are there today and hope for a better life, those that have left and our ability to effect change in the future for the better for the people of Romania would disappear if MFN were not present.

Therefore, on balance, we believe the case is made for the continuation of MFN, because without it, the best tool at our disposal, the only tool perhaps for affecting life for the better, would be gone.

Thank you.

Mr. **Pease**. Thank you very much.

[The prepared statement follows:]

June 10, 1986

STATEMENT OF ALFRED H. MOSES ON BEHALF OF THE CONFERENCE OF PRESIDENTS OF MAJOR AMERICAN JEWISH ORGANIZATIONS TO THE SUBCOMMITTEE ON TRADE OF THE UNITED STATES HOUSE OF REPRESENTATIVES REGARDING EXTENSION FOR ROMANIA OF THE WAIVER AUTHORITY UNDER SUBSECTION 402(c) OF THE TRADE ACT OF 1974 APPLICABLE TO ROMANIA

Mr. Chairman:

It is a pleasure to appear before this committee, for which I personally have high regard. I had the honor of accompanying members of the Subcommittee when they visited Romania in 1980 and to join them for lunch at the American Consulate in Jerusalem during a visit to Israel in the summer of 1984 when this committee was considering the Free Trade Area Agreement with Israel.

The Conference of Presidents of Major American Jewish Organizations, on whose behalf I appear, is an umbrella group composed of 40 Jewish organizations. As part of its international mandate, the Conference speaks and acts for these organizations on matters affecting Israel and, since 1979, on Romanian affairs as well. That was the year in which my colleagues, Mark Talisman of the Federation of Jewish Philanthropies, George Spectre of B'nai B'rith, and I negotiated a memorandum of understanding with the Romanian government on behalf of the Conference on procedures for Jews seeking to emigrate to Israel. Kenneth Bialkin, the Chairman of the Conference, regrettably can not appear here today as he is in Israel this week for a series of meetings. He has asked me to testify in his stead.

My travels to Romania have been on behalf of The American Jewish Committee, of which I am a vice president. In this connection, Jack Spitzer, the immediate past-president of B'nai B'rith International, and I met with Nicolae Ceausescu, President of Romania, in Bucharest in 1980, and again just four months ago. In 1980 we were concerned about the welfare of Romania's Jewish community and most particularly about steps that the Romanian government should take to allow Jews to emigrate to Israel in compliance with Romania's commitments under Basket Three of the Final Act of the Conference on Security and Cooperation in Europe (Helsinki framework) and to meet the criterion for extension and continuation of the waiver authority granted by subsection 402[c] of the Trade Act of 1974.

Progress has been made since our meeting with President Ceausescu in 1980. Emigration procedures have been simplified, the waiting period for persons seeking to emigrate has been reduced, and the backlog of applicants seeking passports to emigrate to Israel has decreased. As a result, over the last six years roughly 25 percent of the Romanian Jewish community has left for Israel. Because of this improvement in emigration procedures and in the number of Jews permitted to leave, the American Jewish Committee continues to support the extension of the waiver authority for Romania. We believe that the objectives of the Jackson/Vanik Amendment will be best served by the preservation of Romania's MFN status.

In reaching this judgment, we are mindful of the shortcomings in Romania's human rights policy and the burdens Romania continues to place on persons seeking to emigrate. Applicants are required to divest themselves of all real property at State-established rates and frequently are compelled to accept employment in menial positions in order to support themselves after being dismissed from more suitable employment.

Economic factors have vastly increased the number of Romanians who want to emigrate, including Romanian Jews seeking to go to Israel. This accounts for the large increase in the number of Jews who emigrated to Israel in 1984 and the somewhat smaller but still substantial number who emigrated last year. This year the number of permissions granted is down considerably. This troubles us. We communicated these concerns last week to the Romanian Government through its ambassador in Washington and have received assurances that the numbers for June and the rest of the year will show an increase. We look to the Romanian Government to keep this commitment. We are aware that the Jewish community in Romania today is only a small remnant of the once vibrant Jewish life that existed in that country when the community numbered more than 800,000. But among those who remain are persons, young and old alike, who wish to emigrate to Israel. One need only visit the restored synagogues in Moldavia, where murals of biblical scenes appear freshly painted on ancient walls, to understand what Israel means to this community.

We also let the ambassador know how important it is that the Romanian synagogues in Bucharest, including one that is now serving as a museum, another, the well-known Spanish synagogue, not be bulldozed to make room for Bucharest's urban renewal. These structures still serve the Jewish community and their destruction would cause great pain to a community that has already suffered far too much.

As for human rights, the Romanian Government has continued its policy of not restricting the free exercise of Jewish religious life within the country. Synagogues are open throughout the country, and a number of important synagogues have been restored through the efforts of the Federation of Jewish Communities under the leadership of Chief Rabbi Moses Rosen. The Federation maintains an extensive support system throughout Romania for the remaining, largely elderly, Jewish community. Such facilities include kosher kitchens, old age homes, ritual baths and religious instruction for the dwindling youth.

Outcroppings of anti-Semitism that appeared in the government-controlled press a few years ago have not reappeared. In a country where the horrors of the Holocaust and historical anti-Semitism are deeply seared in the collective memory of the Jewish community, any reawakening of anti-Semitism sends a wave of fear through the community.

Other religious groups in Romania, most notably the Baptist and smaller religious faiths not officially recognized by the Romanian Government, have not fared as well. When Mr. Spitzer and I met with President Ceausescu earlier this year, we strongly urged that the Baptist community be allowed either to import the Cornilescu translation of the Bible which the Baptists use in their church service or that the government allow the bibles to be printed in Romania. We also urged that three religious activists who were sentenced to long prison terms on suspicious charges be freed. As this Committee knows, two of these persons have since been released. The most recent meeting with President Ceausescu was but one of a series of meetings that began with his visit to the United States in 1977. The willingness of President Ceausescu and other Romanian Government officials to meet with American spokesmen for human rights and Jewish emigration is a recognition on their part that Romania's record on human rights and emigration will be closely scrutinized by the Congress each year in its consideration of MFN.

When the benefits of MFN are considered in terms of the good it has produced for persons still living in Romania as well as for those who were able to leave, the opportunities it has given to hold the Romanian Government accountable to a more humane standard of conduct and the possibility it offers for influencing future change in that country, the case for extending MFN is made. Admittedly the record is not all one-sided, but the alternative to extending MFN is to snuff out the best means at our disposal to influence conditions in that country for the better.

Mr. PEASE. Finally, Reverend Collins, executive director, Christian Response International.

STATEMENT OF REV. JEFFREY A. COLLINS, EXECUTIVE DIRECTOR, CHRISTIAN RESPONSE INTERNATIONAL

Reverend COLLINS. Christian Response International is an organization in 10 different nations, with offices in most European capital cities and here in Washington. It is an organization which is interconfessional, made up of Catholics, Protestants, and Orthodox Christians of various denominations.

We work not only in the Communist nations of Eastern Europe and Southeast Asia, but we are also working in the authoritarian states in Latin America where we have legal assistance programs in Chile, Argentina, El Salvador, and many other Latin American countries.

We are also working in fanatical religious states like Iran and other nations, Islamic and Hindu nations, where Christians are repressed because of their commitment to Jesus Christ.

I have been to Romania three times in the last 18 months. I have met with the President of the Romanian Parliament and with the former Foreign Minister of Romania, Mr. Stefan Andrei, on two occasions and with other leaders of that nation, including the Department of Cults, which controls all the religious groups inside the country. But my most important contacts in Romania have been with the people themselves.

We have been discussing three basic issues here this morning and afternoon, and those issues are politics, business, and people.

In regard to politics, needless to say, and I am not a politician myself, but I know Romania is certainly in opposition to our form of democracy. It certainly does not endorse our democratic form of government.

In regard to business, Romania itself is an avowed Marxist nation, it is Communist and opposed in its educational system and in other ways to our own free trade system and capitalism. But I am here to speak about people.

Today the Romanian Government is carrying on a policy of cultural and religious genocide against Romanian Christians. We are very grateful to the Romanian Government that the orthodox priests, Father Gheorghe Calciu, the Baptist lay leader, Constantin Sfatcu and the Adventist Christian, Dorel Catarama, have all been released from prison or house arrest. I am very grateful to my Jewish friends here for the help of B'nai B'rith and other groups in securing their release.

Many groups have been very active in petitioning the officials on behalf of these three individuals, but I must say we are disappointed all three were released on the condition they leave their beloved country. For Mr. Catarama, this was a desire that he had was to leave Romania to join his family already resident in Chicago.

But for Baptist leader, Constantin Sfatcu and Father Gheorghe Calciu, who would have preferred to remain inside Romania to minister as Christians to their own citizens, their forced emigration is certainly not a positive conclusion to a very difficult problem.

While we are happy the Romanian Government has just recently indicated that it will resolve more than 1,000 emigration cases, many of those who have requested to leave Romania would not have done so if the policies of that Government would not have been so terribly oppressive. Emigration is symptomatic of a much more serious problem.

It must be pointed out that none of these recent developments indicate any significant change in the Romanian Government's repressive internal policies toward its Christian communities. I have listed here in my written testimony various categories remaining to be dealt with by the Romanian Government. These include Christian prisoners of conscience who remain in prison. Most recently, two Baptist young people were arrested on May 4, 1986. I am quoting now from a phone conversation which our office had with Christians in Romania.

> Their heads were beaten against a table until blood flowed from their noses, mouths and ears. This was an attempt to make them sign a confession they were planning to illegally cross the border to escape.

This conversation was had on May 5, 1 day after the arrest. Two of the young men, Paul Gavriliuc and Gigi Mocanu, both Baptists, are still being held in Timisoara.

All of this information which I am giving you today, each of these points concerning arrests, the State demolition of churches and refusal of building permits, the churches are listed here, the nonrecognition of certain religious groups which were widely recognized in the West, such as the Union Catholic Church, which is recognized by Rome but has never been given legitimate recognition by the Romanian Government. While many of the priests and nuns of the Catholic Church have been murdered during interrogation, the Church of the Nazarine, which is a widely respected denomination in the United States, does not have recognition inside Romania.

Most recently, a very serious violation of the Helsinki Accord has occurred in Romania. This was in December 1985, when President Ceausescu handed down decree 408. Members of the Department of Cults have spoken about decree 408 with Baptist, Pentecostal brethren leaders inside the country. Yet this decree has never been given in writing. Decree 408 restricts the rights of Romanian citizens to contact foreigners and prevents foreigners from speaking in Romanian churches without proper authorization from the Department of Cults in Bucharest. We understand they have dropped enforcement of this decree 408 in the beginning of May in order to not cause further embarrassment to the Romanian Government during the time of consideration of continuation of most-favored-nation trade status.

Another category that we have listed here is violence against attempted assassinations of Christian leaders. We are all familiar with the case of Father Geza Palfi who on December 25, 1984, in his Christmas Day sermon made a statement on I would think that our country, we should have Christmas as a legal holiday. On December 26, Father Palfi was arrested by the security police, he was beaten during several hours of interrogation, he was taken from the police station unconscious, he died 2 months later of internal injuries. He never recovered from that serious beating.

We have in our office documentation outlining the deaths and murders of six other Christian leaders, including Baptists and Pentecostal. These deaths have occurred during the last 7 years, some of them beatings during police interrogation, others of them have died by so-called accidents arranged on the job, like electrocution. On one other occasion, or two other occasions, a brethren and Baptist leader, after interrogation, were found hanged.

Most recently, in March of this year, a very outstanding Baptist minister in the city of Bucharest, Pastor Talos of the Sfinte Trieme Baptist Church, on March 8, 1986, Mr. Talos was driving his car in Bucharest. He was hit by a public truck. He received several injuries to his head. No attempt has been made by authorities to investigate this incident. Local Baptists have told CRI they believe this was a deliberate attempt to murder Talos, a well-respected Baptist leader who has stood up for the rights of Baptists inside the country.

Congressman Pease and Congressman Crane, the economic retaliation against a nation is a very serious matter, and we don't take this very lightly. It is not a course of action which would be taken quickly, but one which must be carefully considered. It is a last-resort situation. We believe, however, that the weight of the aforementioned evidence begs for such action in the case of the Socialist Republic of Romania.

We, therefore, call upon the members of the committee, Subcommittee on Trade, to endorse H.R. 3599, sponsored by Representatives Chris Smith, Tony Hall, and Frank Wolf. H.R. 3599 is designed to simply suspend Romania's most-favored-nation-trade status for a period of 6 months, or even less if the President of the United States feels there has been significant progress in the area of human rights, and in particular in the area of religious freedom. We believe H.R. 3599 represents the best possible use of economic leverage in gaining the release of additional Christian prisoners of conscience in negotiating for the rebuilding of Romanian churches and in assuring an increase in the overall freedom of Romanian Christians in general.

On the other hand, to recommend still another year of United Stated economic assistance to the Socialist Republic of Romania is to assure another year similar to the past, that through financial assistance the U.S. Government would then, in effect, guarantee the Romanian Government will carry out one more year of state terrorism against its own population.

Today there will be American companies testifying, in the afternoon, for continuation of most-favored-nation-trade status. I would like to state I pity any capitalist corporation or free government that could seek to profit at the expense of human distress and misery. Such ill-conceived behavior on the part of the U.S. Department of State and the international banking and corporate community can in no way be excused. Romania at this very moment not only continues to strictly control every religious group within its borders, but also actively seeks to imprison, torture and on occasion murder Romanian Christian leaders.

Why should our Government continue to prop up a regime that shows absolutely no desire to moderate its repressive efforts to silence the church and shows absolutely no change in its fundamental attitude, in its desire through the use of persecution and silence to prevent the spread of the Christian faith within its borders?

[The prepared statement follows:]

REV. JEFFREY A. COLLINS

EXECUTIVE DIRECTOR

CHRISTIAN RESPONSE INTERNATIONAL

Mr. Chairman and Honorable Committee Members:

On behalf of the Christian Response International Board of Directors, I want to thank you for the privilege to appear here before you today. After having organized several U.S. Congressional and British Parliament fact-finding trips to Romania, it is with deep concern for the Christians of Romania that we appear before you today. We plead with you to support Romanian Christians in their struggle for religious freedom and human dignity.

I have stood with American and British officials on the ruins of bulldozed Romanian churches. We have spoken on several occasions with the families of Christian prisoners of conscience, men who were in prison simply because they distributed Bibles and Christian literature. There was ample evidence presented to us that men and women had been beaten, tortured and on occasion murdered, simply because of their faith in Jesus Christ.

While we are delighted that the Orthodox priest Father Gheorghe Calciu, the Baptist layleader Constantin Sfatcu, the Adventist Christian Dorel Catarama have been released from prison or house arrest, we are very disappointed that all three were released on the condition that they leave their beloved country. While we are happy that the Romanian government has just recently indicated that it will resolve more than a thousand emigration cases, we are concerned that many of these who have requested to leave Romania would not have done so if the policies of that government were no so terribly repressive. It must be pointed out that none of these recent developments indicate any significant change in the Romanian government's repressive internal policies towards its Christian communities.

We site the following examples to demonstrate the severity of the present situation:

PART I: CHRISTIAN PRISONERS OF CONSCIENCE:

(1) Ilie Neamtu: Neamtu is a layleader with the Ploesti Brethren Church. He was ordered not to preach. On June 30, 1985, he preached to his congregation: he disappeared on July 1, 1985. No one knew his whereabouts until late in January 1986. Neamtu has been charged with "embezzlement" from his factory. Christians in Ploesti say that the police have presented no evidence to support the charges. Neamtu's next court appearance is scheduled for March 5, 1986.

(2) Four Brethren Layleaders: In July, 1985, four layleaders from the Open Brethren Church were arrested for "illegally distributing" Bibles. On September 13 Nicula Levi, Cornel Mich and Elisei Ruse were sentenced to "one year socialist labor at a socialist labor institution without pay." Ilie Dociu was sentenced to 10 months "socialist labor without pay" for "attempted illegal distribution" of Bibles.

(3) Two Baptist Youth Being Held: On May 4, 1986 (Orthodox Easter), five young Baptist men from different parts of Romania were visiting the Baptist Church in the city of Timisoara. Three of the young men were on their way to the train station to return home when they were apprehended by the Romanian secret police. They were taken to the police station. The other two men were also brought to the police station where, according to reliable sources in Timisoara, "Their heads were beaten against a table until blood flowed from their noses, mouths and ears. This was an attempt to make them sign a confession that they were planning to illegally cross the border--to escape." Two of the young men, Paul Gavriliuc and Gigi Mocanu are still being held in Timisoara. Reports indicate that they are possibly being held for trial. Their personal belongings (wristwatches, etc.) have been sent to the parents. This usually indicates that authorities are planning a prison sentence. Both Gavriliuc and Mocanu have brothers in California.

PART II: STATE DEMOLITON OF CHURCHES AND REFUSAL OF BUILDING PERMITS:

(4) Bistrita Baptist Church: On November 3, 1984, Bistrita Baptist

Church, Bistrita, Romania, was demolished by the Romanian government. On December 13, 1984, U.S. Rep. Mark Siljander (R/MI), Members of the British Parliament David Atkinson (Conservative) and Thomas Clarke (Labor) and CRI Executive Director Rev. Jeffrey A. Collins led a religious service along with other congressional and White House staffers and more than 300 Romanian Baptist believers. The American/British delegation saw for themselves the ruins of Bistrita Baptist Church. The religious service lasted three hours. The next day the CRI delegation pleaded with Romanian officials in Bistrita and the district city of Cluj to rebuild Bistrita Baptist Church. At that time they assured the group that the rebuilding would begin by April, 1985. In April, 1986 the congregation informed Christian Response International that they have received only a building permit to construct a house on the sight. Needless to say, this is not a satisfactory solution to a congregation which needs an auditorium with a seating capacity of 1,000.

(5) The Second Baptist Church of Oradea: Located in Oradea, this is the largest Baptist church in all Europe. The building which seats 1,500 is being torn down in an "urban renewal" project. The government refuses to give the congregation a new building that is suitable for the growing church. In July, 1985, U.S. Reps. Frank Wolf (R/VA), Tony Hall (D/OH) and Chris Smith (R/NJ) accompanied Jeff Collins to visit this church. Meetings were held with the Mayor and First Communist Party Secretary of Oradea. The officials agreed to help the congregation relocate, but as of this date no significant progress has been made.

(6) Giulesti Baptist Church: This Baptist church, located in suburban Bucharest, was 50 percent demolished on June 4, 1985. Just one month prior to the demolition of the church, the congregation was visited by a CRI delegation including CRI/US board president Kentucky State Senator Gene Huff and Rev. Jeffrey Collins. Church leaders explained that they had attempted for several years to get a proper building permit to enlarge their facility, but their requests had fallen on deaf ears. Out of frustration the church began building to facilitate the hundreds who attended Sunday services. The government response was to level most of the building and then to torture the architect and deacon and order the pastor Rev. Buni Cocar out of town. On July 1, 1985, Rev. Jeff Collins along with U.S. Reps. Frank Wolf (R/VA), Tony Hall (D/OH) and Chris Smith (R/NJ) spoke on the ruins of Giulesti Baptist Church. A TV camera crew from the "700 Club" filmed the service.

(8) Tiganesti Baptist Church: This Baptist Church is located on the outskirts of Alexandria southwest of Bucharest. The building was totally destroyed in the 1977 earthquake. The congregation has been unable to get a permit to rebuild, even though the congregation is willing to supply building materials and labor to do so. They presently meet in a tent (recently upgraded to a rickety lean-to) in subfreezing temperatures.

(8) The Pentecostal Church of Medias: This congregation tried several times to get a building permit. After many unsuccessful attempts they began construction without the permit. They managed to finish the foundation and the basement; then local authorities forced them to stop. Since they have met for worship in the basement.

(9) The Baptist Church of Gaujani: Authorities refused permission for this congregation to build. The elder of the church, Ioan Popescu, built a house for his son in 1984. Then they decided to allow the church to use the house for a meeting place. The authorities confiscated the house in the fall of 1984. It was transformed into a kindergarten.

(10) The Baptist Church of Resita: This congregation of 800 members has been petitioning the authorities for 25 years for a permit to enlarge their building. They squeeze into an auditorium with a seating capacity of 100. In 1983 the auditorium was extended to include a small storage shed at the back of the building. The police came with bulldozers and demolished the extension. For

many years the authorities said that the reason for not giving them the permit to build was the lack of a proper site for relocation. When the church bought a new site, at the suggestion of the city officials, a building permit was refused, stating that it was "just remembered" that particular section of town has now been reserved for other purposes.

(11) The Baptist Church of Hateg: This is another significant case. Again, the church has more than 700 members; however, the auditorium is designed to seat 60! For ten years Rev. Peter Dugulescu has repeatedly requested permission at all levels to build a new church. He impressed authorities with his persistence and politeness. They encouraged Pastor Dugulescu and made promises. Dugulescu began designing the new building and making plans for construction. Dugulescu has now been informed that a new church will never be built in Hateg.

(12) The Pentecostal Church of Timisoara: The congregation has 4,500 members. Their building only seats 800. Thousands listen by a PA system standing in the courtyard and in the street for the services. For years the pretext the authorities gave for denying them a building permit was that they did not have money in the bank for construction costs. The church collected the money and deposited 2 million lei at the state bank. The church still has not received a permit to build; neither can they get their money back from the bank because it has gone into an account earmarked for "building."

Other major church building concerns:

(13) Baptist Church of Crusovat (Caras Severin)
(14) Baptist Church of Bucosnita (Caras Severin)
(15) Baptist Church of Girdoaia (Mehedinti)
(16) Baptist Church of Obirsia-Closani (Mehedinti)
(17) Baptist Church of Filiasi
(18) Baptist Church of Fratos Tita
(19) Baptist Church of Cetate
(20) Baptist Church of Motru
(21) Baptist Church of Pades Closani
(22) Pentecostal Church of Tirgu Mures
(23) Baptist Church of Negreni (Cluj-Napoca)
(24) Cimpea Turzii Pentecostal Church

PART III: NON-RECOGNITION OF RELIGIOUS GROUPS:

(25) The Uniate Catholic Church: Since the Communist Revolution this church, while still recognized by Rome, does not have legal status in Romania. All priests and nuns have been forced underground. Many have died while undergoing torture.

(26) The Church of the Nazarene: An evangelical denomination widely accepted in the United States has not been given legal status in Romania. The membership in Romania is discriminated against in areas of education, housing and employment.

PART IV: VIOLATION OF HELSINKI ACCORDS GUARANTEES OF HUMAN CONTACTS:

(27) CRI has learned from reliable Romanian sources that President Ceausescu in December 1986 declared it would no longer be possible for foreign Christians to develop close contact with Romanian Christians. "Decree 408" restricts the rights of Romanian citizens to contact foreigners and prevents foreigners from speaking in Romanian churches without "proper authorization" from the Department of Cults in Bucharest. CRI is told that because of feared reaction in the West, this decree will remain unpublished but that leadership in various districts will give notice to local churches and citizens groups as to how the law will be applied in their area. The Pentecostal Church of Romania has been notified that if they are found to violate this law by having foreigners speaking without the proper authorization from Bucharest, the entire denomination would be in danger of losing its official recognition status.

(28) Father Ilarion Argatu: An Orthodox monk now being held under house arrest at the Monastery of Cernica. In 1979 an attempt was made by the Romanian secret police to poison Argatu. In 1981 the secret police tried to kidnapp Argatu, but women at the scene began shouting preempted the police from taking Argatu with them. In 1985 Argatu was moved to Psychiatric Hospital #10 in Bucharest. (Hospital #10 specializes in schizophrenia and aged mental deseases.) This was to prevent Argatu from meeting with Father Gheorghe Calciu who was being held under house arrest in Bucharest. Argatu was released in January 1986 and has since been held under house arrest at the Monastery of Cernica.

PART V: VIOLENCE AGAINST AND ATTEMPTED ASSASSINATIONS OF CHRISTIAN LEADERS:

Several Christian leaders including the Catholic priest Father Geza Palfy, Baptist, Pentecostal and Orthodox Christians have died under mysterious circumstances during or shortly after police interrogations. Deaths were caused by hanging, beating or arranged accident.

(29) Rev. Peter Dugulescu: Dugulescu is the pastor of Hateg Baptist Church. In October 1985 Dugulescu and his wife were waiting at a traffic intersection in Hateg. When the traffic signal turned green they proceeded. When in the middle of the intersection a city bus without passengers rammed full speed into the driver's side of the car. Dugulescu suffered a broken arm and his wife was terribly bruised. No attempt has been made by city officials to investigate. CRI has been informed of attempts to cover up the incident.

(30) Rev. Vasile Talos: Talos pastors the large Sfinte Trieme Baptist Church of Bucharest. On March 8, 1986, Talos' car was hit by a public truck. Talos received severe injuries to his head. No attempt has been made by authorities in Bucharest to investigate the incident. Local Baptists tell CRI that this was a deliberate attempt to murder Talos, a well respected Baptist leader.

EMIGRATION CASES IN VIOLATION TO THE JACKSON-VANIK AMENDMENT:

(31) Father Gavrila Stefan: An Orthodox priest who was defrocked in 1974 by the Romanian Orthodox Church in cooperation with the Ministry of Cults in Bucharest. He has been denied the right to work for more than ten years. He lives with his wife and eight children in abject poverty and misery. Stefan has been denied the right to travel into Bucharest because of his attempts to contact the American embassy there and the family of Father Gheorghe Calciu. The American embassy indicates that Stefan has been approved for immigration to the United States; however, Romanian authorities refuse to issue the necessary exit passport that would make this possible.

Mr. Chairman and Committee Members, economic retaliation against a nation is a serious matter. It is not a course of action which should be taken quickly, but one which must be carefully considered. It is a last resort. We believe, however, that the weight of the afore mentioned evidence begs for such action in the case of the Socialist Republic of Romania. We, therefore, call upon the members of the Committee on Ways and Means Subcommittee on Trade to endorse H.R. 3599 sponsored by Reps. Chris Smith (R/NJ), Tony Hall (D/OH) and Frank Wolf (R/VA). H.R. 3599 is designed to simply suspend Romania's Most Favored Nation trade status for a period of six months or less if the President feels that there has been significant progress in the area of human rights and in particular religious freedom. We believe that H.R. 3599 represents the best possible use of economic leverage in gaining the release of additional Christian prisoners of conscience, in negotiating the rebuilding of Romanian churches, and in assuring an increase in the overall freedom of Romanian Christians in general. On the other hand, to recommend still another year of U.S. economic assistance to the Socialist Republic of Romania, is to assure, through financial assistance, that the Romania government will carry out one more year of state terrorism against its own population. I pity any capitalist corporation or free government that would seek to profit at the expense of human distress and misery. Such il-conceived behavior on the part of the U.S Department of State and the international banking and corporate community can in no way be excused.

Romania at this very moment not only continues to strictly control every religious group within its borders, but also actively seeks to imprison, torture and on occasion murder Romanian Christian leaders. Why should our government continue to prop up a regime that shows absolutely no desire to moderate its repressive efforts to silence the Church and no change of attitude in its desire, through the use of intimidation, persecution and violence, to prevent the spread of the Christian Faith?

--END--

Mr. PEASE. Thank you very much, sir. We appreciate that testimony.

Are there questions? Mr. Crane.

Mr. CRANE. Yes.

Mr. Collins, earlier in this hearing Mr. Gibbons was looking for some documentation of the destruction of churches, and based upon your experience and your input, can you provide the committee with that kind of documentation?

Reverend COLLINS. Two instances that I am very familiar with, because I visited the scenes of these two Baptist churches 30 days after the demolition of the churches. On December 13, 1984, I, along with Congressman Mark Siljander, and Carolyn Sunset, and two members of the British Parliament, visited Bistrita Baptist Church. The evening I remember very distinctly, it was my birthday. It was the greatest birthday party I have ever had. The church had been totally demolished. Only the corner of one wall was standing.

The history of the church is similar to other churches that have been demolished. Eight years—the congregation was approximately 8 years old. It started with 20 believers in Bistrita. Their first building was a house which they had been given permission to meet in. Their Government, through an act of urban renewal, destroyed that house, and the Baptists agreed to move to another house.

But the congregation had grown to about 400 believers. They applied for a building permit to renew this house, to rebuild it into an auditorium. The building permit was granted by the district government upon the knowledge that the district government was aware that the local Communist leaders in Bistrita would not issue a building permit. So their hands were tied.

For 2 years they sought unsuccessfully to obtain that building permit to remodel the building into a regular church. Finally, at the end of 2 years, beginning in September of 1984, they began as an act of civil disobedience to proceed in remodeling the structure only with the permit from the district government. By the first of November, they had almost completed the building, it was a beautiful building. They had room for approximately 600 seated worshipers.

However, the congregation was already averaging 700 in attendance on Sunday morning. Even though they had enlarged it to seat 600, they had already outgrown the facility. The Government came on November 4, 1984 and ordered the congregation to demolish its own building—excuse me, that happened actually in September, the middle of September. They ordered the congregation to tear down its own building. The Baptist leaders refused. The Government, on November 4 of 1984 sent a demolition crew and destroyed the building completely.

A few days later, they handed the congregation a bill for the demolition. The congregation refused to pay this, and today they still meet on the ruins of this church. On December 13, we had the privilege of meeting with them in a 3-hour worship service, and in below freezing temperature, we sang and prayed with these believers. We were one with them in Jesus Christ.

The latest incidence is that of the Giulesti Baptist Church in Bucharest, pastored by Buni Cocar, who was forced into immigration here in the United States. Pastor Cocar had pastored the church, the congregation had grown from 20 believers to almost 500 worshipers. He had sought unsuccessfully to legally obtain any type of building permit, so they also, as an act of civil disobedience, began to remodel their own building.

But this was only after they had attempted on at least 100 different occasions on a monthly basis to obtain the legal building permit. I was there in May of 1983 with the president of our U.S. Board of Directors, State Senator Gene Huff from Kentucky, along with a representative from our office in Delhi, India, who was a leader of the Baptist Union, and representative of the Pentecostal Churches of Great Britain. We met with the church, even helped them shovel cement, and they remodeled their building.

On June 4 of 1985, the building structure was more than 50-percent demolished by the Government. On June 5, actually the first Sunday in July, I believe it was June 1, 1985, I along with Congressman Frank Wolf, Congressman Tony Hall, and Chris Smith stood in the pulpit of that church in its demolished condition to express virtual solidarity with this Baptist congregation.

This is typical of many churches in Romania today. Something must be done. There are other churches that are scheduled for demolition, including the largest Baptist Church in Oradea. Their building is scheduled for demolition. There has been no resolution in obtaining a new building. The Government is tearing it down, and an urban renewal project in Oradea—this possibly could be just a reason for demolishing this building for this congregation which has more than 2,000 members, but we only ask that the Government, before demolishing their building, give them another building which is equivalent in size and in an accessible location.

So far, the Government has absolutely refused to cooperate. We don't think that continuation of MFN on a regular basis is the right solution. We ask the matter be suspended for a matter of 6 months in order we might resolve these problems, before we continue economic assistance to this Communist country.

Mr. CRANE. Thank you for your testimony.

Mr. Moses, you say in your testimony at the bottom of page 2 that Romania continues to place burdens on people seeking to emigrate, for example, applicants are required to divest themselves of real property at state-established rates, a point which was confirmed by someone from the State Department in response to my colleague, Mr. Schulze, and, second, they are frequently compelled to accept employment in menial positions during the extended waiting period.

Subsections A and B of the Trade Act of 1974 provide that most-favored-nation treatment may not be accorded to a country that, one, denies its citizens the right or opportunity to emigrate, and we have already heard that testimony even from some of the government witnesses here; two, imposes more than a nominal tax on emigration or on the visas or other documents required for emigration for any purpose or cause whatsoever.

It would seem to me that based upon your testimony here that the burdens that Romania is placing is, in effect, more than a tax, that they are in flagrant violation by your experience on just this emigration question. And the law was worded, it seems to me, very explicitly on the point.

How can we justify continuing MFN when they are indirect contravention of the stipulated provisions of the law?

Mr. MOSES. Mr. Crane, I don't know that I would agree they are in direct contravention. The Romanian Government does not look with favor on emigration. The emigration that is permitted results in part from the effectiveness of the Jackson-Vanik amendment. It is not a perfect situation. On balance, emigration is fostered as a result of Jackson-Vanik. If Jackson-Vanik were lost, we would lose the leverage we now have to effect the numbers and the procedures.

We are today in a better position with regard to facilitating emigration than we were just 4 or 5 years ago. The procedures have been improved. Are they perfect? By no means. Are hardships endured by people seeking to emigrate? Yes. On balance, has Jackson-Vanik achieved the purposes for which Senator Jackson and Congressman Vanik sought? In large part, the answer is yes.

In terms of people losing their positions, that has occurred to my experience most frequently in cases where the Romanian Government can say that the persons seeking to emigrate are in positions of sufficient sensitivity, engineers of hydroelectric facilities, persons working in areas that have some perhaps security aspect to them. To justify saying to that person when you seek to emigrate from our country, you are renouncing your Romanian citizenship, and, therefore, we feel you are not the type of person who under the circumstance should be entrusted with this kind of a state treasure, is that good policy? To my way of thinking, no, but it is reality, and I don't think we can change it.

In terms of having to sell their personal property at set prices, that is in part a product of the system there, one which we don't approve of. We are not going to change the Government of Romania. It is not tomorrow going to be a Western country, it is still going to be nestled next to the Soviet Union. It is going to be run by someone who calls himself a president but by our way of thinking is not the product of a democratic system. We have a reality.

How do we deal with it most effectively to achieve our purposes? We believe, on balance, not very joyously, but on balance, MFN is worth preserving. The persons there would be affected for the worse if it were not for Jackson-Vanik.

Mr. CRANE. MFN might, but the MFN provision in existing law is being violated. Would you recommend we alter the law and say what we might reasonably expect in the way of some modifying our ameliorating influence as a basis for making that special trade concession? Maybe we ought to go back and really rewrite Jackson-Vanik, because Jackson-Vanik at the present time is clearly being violated.

Mr. MOSES. Mr. Crane, I am not sure it is clearly being violated. It would have been violated a year or two ago when a tax was going to be imposed, a so-called education tax, and then Under Secretary Eagleburger went over to Bucharest and persuaded the President that would not be acceptable and it was dropped. There is no education tax. I don't think one can fairly say selling your property at a price set is a tax.

Mr. CRANE. How about the right to emigrate? Are you trying to tell me every Jewish citizen of Romania who wants out is allowed out?

Mr. MOSES. I can say this, Mr. Crane, over the years we have solved the cases, not as speedily as we wanted, but today we do not have a backlog of cases.

Mr. CRANE. There is no one who wants out right now who is having a problem getting to Israel, say?

Mr. MOSES. I can't identify that person, but he or she exists, and it is not one or two or three, it may be a dozen, 2 dozen, it may be 40. People have to work 6 months, sometimes you have to wait a year, but it is far better than what it was, and what enables us to do the job, to achieve the purpose is Jackson-Vanik. Without it, we wouldn't have that opportunity.

Mr. CRANE. What did you do before Jackson-Vanik?

Mr. MOSES. Before Jackson-Vanik, we did not have the kind of leverage we have today. It is not a simple situation. Most of the Jews who left Romania left in two waves, one large wave immediately after the war, and the second large wave in the early 1960's. The numbers then were very low. In 1975, there was a spurt, the numbers went up to 3,000.

Mr. CRANE. In 1974, the year before Jackson-Vanik.

Mr. MOSES. The numbers spurted up.

Mr. CRANE. Since Jackson-Vanik, the numbers have never come close to where they were the year before Jackson-Vanik?

Mr. MOSES. That is correct. But since Jackson-Vanik, in those 9 years, one-quarter of the Jewish population of Romania has emigrated to Israel. That is a very considerable percentage, sir.

Mr. CRANE. When you realize how small that Jewish population is that is remaining in Romania, and I think the testimony this morning was two-thirds are over 60 years of age, that is kind of protracted genocide, it seems to me.

Mr. MOSES. That is a bit harsh, I think, Mr. Crane. Older people want to leave also. There are persons who——

Mr. CRANE. Who want to leave, you say?

Mr. MOSES. Absolutely. It isn't just young people who want to leave.

Mr. CRANE. Why haven't they left?

Mr. MOSES. There are a number of reasons. Those older people who have elected to remain have done so because of family connections, their homeland. It isn't easy to leave the place where you were born, there is an attachment to the soil which is in all of us, as urban dwellers perhaps we have had that feeling diluted, but people born in a given country don't easily leave it. There are some people there out of that attachment. There are also persons there who simply feel if they went to Israel, they would not have the support system they have in Romania.

Mr. CRANE. What you are saying is they are not seeking to emigrate, though.

Mr. MOSES. There are older people seeking to emigrate and younger people. But of the total population, there is not a large percentage of persons or a large number of persons who wish to emigrate and have not been permitted to do so. A very small number.

Mr. **Crane**. Those who wish to emigrate are simply waiting out this 6-month period of the process the state described to Mr. Schulze?

Mr. **Moses**. Those wishing to emigrate, that is. I would not suggest to you there are not some cases, I did not meet any in my last two trips, of persons not going to get out in 6 months. They may not get out in a year, and they became the difficult cases we work on to try to solve.

Mr. **Crane**. Let me ask you and Mr. Eisenberg and Reverend Collins whether any of you have heard that other governments have paid a per capita fee to get people out of Romania.

Mr. **Moses**. I have heard that.

Mr. **Crane**. Israel specifically.

Mr. **Moses**. I have heard that. I have never heard it confirmed by an Israeli.

Mr. **Crane**. Over $10,000 a head. That is pretty good money. Based on last year's figure, if you exclude the United States, about $140 million——

Mr. **Moses**. Mr. Eisenberg tells me West Germany as well. No Israeli officials ever confirmed that to me. It would be the kind of thing that would be for the rumor mill. It may be a fact, I don't know.

Mr. **Crane**. It would seem to me that too, though, is in direct violation of fines. They may not be paid by the individual, but if you are shaking down a foreign government as a condition for releasing a certain percentage of emigrants, again that would come under the category of a levy that is in clear violation of the provisions of Jackson-Vanik.

Mr. **Moses**. It is not a violation of Jackson-Vanik if the Israeli Government pays the Romanian Government. What the Israeli Government does as a sovereign government is not the concern of Jackson-Vanik. I don't know what the Israelis do, I hope they don't pay. If they have to pay to get souls out, it may be money well spent.

Mr. **Crane**. Actually it does not specify in the language of Jackson-Vanik that levy has to be assessed on that particular individual; it is the levy on a citizen's right to emigrate.

Mr. **Moses**. It is a tax—that isn't a tax. The language of Jackson-Vanik is a tax.

Mr. **Crane**. It says tax, levy, fee or other charge. The language is comprehensive enough that I would argue—you know, I think we are quibbling about semantic issues when the fact of the matter is they are in violation, and they have consistently been in violation.

If I may, let me quickly turn to Mr. Eisenberg. In your testimony, Mr. Eisenberg, you indicated the Romanian Government rigidly controls the number of Jews allowed out and that those able to leave in any given year are always substantially less than the numbers seeking to leave. That appears to be in disagreement with Mr. Moses' testimony.

Mr. **Eisenberg**. I don't think it is a broad disagreement. Over the years, and we are looking at the last decade essentially, there has usually been a backlog. We have had lists and they never quite jibed between the numbers who had expressed the desire to go and the numbers who were actually released to go to Israel. There used to be 300-, 400-, 500-person gaps, but we have not seen that recently.

Mr. **Crane**. What you are saying, those able to leave in any given year are always substantially less than the number seeking to leave except for this year.

Mr. **Eisenberg**. Yes, this has usually been the pattern over the years. But I think what we also said is that the numbers have been declining. You are drawing from a smaller pool. From our current knowledge of those seeking to leave, we don't know of any large number who have applied, but can't get out. As I think Mr. Moses indicated, there might be a handful of cases that we have been asked to press the Romanians on. In the past, it had been a much larger number.

Mr. **Crane**. In other words, last year the number allowed to leave was substantially less than those who wanted to leave last year.

Mr. **Eisenberg**. I wouldn't say substantially last year.

Mr. **Crane**. What years were you referring to in that language?

Mr. **Eisenberg**. I think we are talking about the pattern over a decade. Maybe the language should be clarified.

Mr. **Crane**. You said in any given year. What given years?

Mr. **Eisenberg**. I can remember the years of 1981, 1982. In those years, there were a large number of cases that we had to press the Romanians on.

Mr. **Crane**. So it is not in any years, it was 1981 and 1982?

Mr. **Eisenberg**. I think that is a semantical problem, and I think we should clarify that.

Mr. **Crane**. OK, because that was a statement that tended to coincide with some of the other testimony we have had as it was submitted here, and your clarification may be true with regard to Israeli immigration right now, but not with the immigration across the board.

You indicate also that MFN provides a framework for discussing emigration and for dealing with specific emigration cases. What mechanism did you use before MFN for discussing emigration questions?

Mr. **Eisenberg**. To a large extent I don't think there was a formal one in terms of getting recognition. I don't think those kinds of cases came to our attention prior to MFN. But since MFN, there has been an effort to develop a mechanism. Before, MFN, it was more of a hit or miss proposition. I don't think there was the same kind of peak awareness that there has been since the implementation of Jackson-Vanik.

There has been, since then, ongoing discussions with Romanian officials, whether it is the ambassador, or visiting dignitaries, and there is more of a formal mechanism for dealing with it, both specific cases and raw numbers.

Mr. **Crane**. Israel has an embassy in Bucharest, does it not?

Mr. **Eisenberg**. Yes.

Mr. **Crane**. They have recognized the State of Israel since 1967——

Mr. **Moses**. Since 1948.

Mr. CRANE. They did not terminate it after the Six-Day War. Did Israel not pursue through diplomatic efforts negotiations on this question of emigration?

Mr. EISENBERG. I think Israel has on a consistent basis. But you are talking about leverage. MFN gives you one more avenue for discussion with the Romanians.

Mr. CRANE. What percentage of Jewish immigrants from Romania come to the United States out of the total that come out annually?

Mr. EISENBERG. It is very small, but we don't have real numbers on that.

Mr. CRANE. MFN only applies to those seeking to come to the United States, as I understand it.

Mr. EISENBERG. No, because we have always testified in the context of the general right to emigrate.

Mr. CRANE. Anywhere, any country.

Mr. EISENBERG. I think Mr. Moses indicated that this is a government, like most of the Socialist governments, whether it is Ethiopia or the Soviet Union, it doesn't want freedom of emigration. It is almost as though it is a defeat for the Communist ideal.

Mr. CRANE. I am glad you confirmed that point because I was trying to pin Mr. Derwinski down on that when he was here. And he was most evasive and at least left the impression that this applied only to those seeking to emigrate to the United States and that there we were meeting our quotas in terms of the ones that we had approved for entry into this country.

You indicate also that MFN is justified by the Romanian's Government assistance on the Eastern bloc, you show or you state that they have continued to show some degree of independence on foreign policy, and that among the Warsaw Pact countries, they maintain diplomatic ties with Israel. What is the relationship between MFN and formal diplomatic ties with Israel?

Mr. EISENBERG. I think you have already established that since 1948 they have had relations. The Soviet Union was the first country to recognize Israel. They were also one of the first to break in 1967.

Mr. CRANE. What has MFN to do with this? MFN wasn't created until 1974.

Mr. EISENBERG. I think it adds some impetus to the relationship.

Mr. CRANE. What kind?

Mr. EISENBERG. Recognition that Israel is important to the United States as an ally. I think it is to some extent the only window in the East. If you remove MFN, you can't guarantee it is going to jeopardize the relationship with Israel, but it may make it more difficult.

Mr. CRANE. Notwithstanding the fact they have always had that diplomatic relationship consistently since the creation of the State of Israel, notwithstanding the pressures that were presumably brought to bear on the Eastern bloc countries after the Six-Day War.

Mr. MOSES. Mr. Crane, in answer to that, I don't think Romania's foreign policy is affected very much by MFN. And I agree with the implication of your remarks, MFN was not designed to effect a country's foreign policy, it was designed to effect emigration. Even human rights is an add-on that has come about through the process of these hearings. There is nothing in Jackson-Vanik that talks about human rights, but I am glad we are talking about human rights, because it is important to do so.

The Romanians pursue the foreign policy they pursue because it is in their interest to do so. It isn't because of MFN, in my view. The fact that there are not Soviet troops within Romania is not because of MFN, it is because of a deal Georgiescu Dej made with Khrushchev in the early 1960's. What Mr. Ceausescu does in terms of Romanian's relations with the Soviet Union on matters such as the Olympics is not affected by MFN. To some extent, human rights are affected. Persons like myself are able to go to him and say unless these problems are solved—they may be primarily problems in the Christian community—you are going to lose MFN, and losing MFN isn't simply dollars, it is going to affect the nature of the relationship with the United States.

Mr. **Crane**. Would we not have even more potent leverage if we, in the absence of MFN, because of the enormous volume of Romanian exports coming into this country, if we said, "Hey, you don't clean up your act, then we will cut off Romanian exports to the United States," that is $1 billion a year——

Mr. **Eisenberg**. I think it is the threat of the cutoff that might have an effect, just as I think the effect of Jackson-Vanik has an effect on emigration.

Mr. **Crane**. You call it a spurt because of Jackson-Vanik?

Mr. **Eisenberg**. In order to head off a political threat or head off Jackson-Vanik, there was a spurt in emigration.

Mr. **Crane**. They let over 3,000 Jews emigrate in 1974 as bait to get MFN, is that what you are suggesting?

Mr. **Eisenberg**. That is what I am suggesting.

Mr. **Crane**. Like the 1,000 they let go last week on the eve of these hearings.

Mr. **Eisenberg**. That is the same type of thing. I think if you eliminate MFN, you have played your trump card to some extent. How are you going to reconstruct something even with a 6-month suspension? It seems to me the conditions will get harder, and Romania may have less motivation to meet the test.

Let me make one other point. Our dealings with the Soviet Union are pretty cold, but dealing with other East bloc countries where we have had human rights problems, having entree is helpful. To some extent, Jackson-Vanik is entree for those discussions, as Mr. Moses has indicated, because it relates to freedom of emigration or it relates to emigration, which is one kind of human rights observance.

Mr. **Crane**. I recognize your argument, but I would argue that the threat of denial of access to our market would get their attention a lot more even than trying to utilize the vehicle of simply giving them most-favored-nation treatment or general system of preferences, that $1 billion to their economy and the loss of that $1 billion would have more impact.

Mr. **Moses**. If you are going to cut off access to the market totally, yes, that is a difficult thing to do. Most of the products that come to the United States from Romania do not come in under MFN, they are oil products and sold at world market prices. There are about $300 or $350 million of Romanian exports MFN sensitive. Romania can live without it. It would prefer to have MFN, but can live without it.

If President Ceausascu is willing to put the screws on the people of Romania as he did in 1984 and 1985 to reduce external debt, bringing about shortages of gas, shortages of heating fuels, serious shortages of food, another $250, or $300 million of lost exports, so be it.

What we have now is a mechanism at our disposal which goes beyond simply MFN as such, that touches the nature of the relationship important to Ceausescu, which is important to his balancing act between East and West. We are using the system the Congress has created.

We should keep it in place, we should be very serious about it. We should use it to the full, but to be holding up a 6-month suspension as a means of somehow bringing the Romanians into line, it isn't going to work.

Mr. Crane. Do you gentlemen all truthfully believe that if there were any genuine independent movement, such as occurred in Hungary, such as occurred in Prague, that the Soviets wouldn't be in there in 24 hours?

Mr. Moses. I can answer that. If the Soviets were threatened, if there were a government that was not a Communist government, in my view, the Soviet Union would take whatever action was necessary.

Mr. Crane. As in Afghanistan?

Mr. Moses. Yes. To me, if there were a government on the border unfriendly or a threat to the Soviet system by being other than a Socialist government and Communist government. The answer is yes.

Reverend Collins. If I could make one comment regarding suspension or continuation of most favored nation as it is now. It is being continued many times during the past few years, by the Presidential waiver. We gain nothing more than a few releases in the Christian community from prison. Immigration for Christians has increased to some extent, but again immigration is only symptomatic of a root problem of repression and persecution. Many people would not want to leave Romania and to enjoy the privilege of emigration if it were not for the repressive pressures within the country.

We believe at Christian Response International that American foreign policy and economic trade should be guided toward not increasing an escape for people who are being tortured and repressed by their government, but toward increasing a climate of freedom within the country, so that the people won't have to emigrate. Emigration is a copout on the issue of human rights and in effect, the Romania Government is holding Christians and other Romanian citizens hostage to the fact of emigration.

During the course of the next few months, if most favored nation is continued, they will arrest more Christians in order to release them next year prior to most-favored nation-consideration of renewal of most favored nation. So how much longer will we continue with this present status quo? Something must be done, a more harsh—I am not asking for complete denial, but we need to fire a shot across the bow and they need to be told that this situation can't continue indefinitely, but that a warning is being given to them by a 6-month suspension.

We will then deal from the negotiation table to negotiate from a point of strength, will renew it, and unless even in 6 months, if you will agree to change your repressive internal policies, and to appreciate the guarantee of freedom for your own citizens that is little——

Mr. CRANE. I recognize that point, but it seems to me, based on their experience and I think the 1974 flow of emigration of Jews in anticipation of qualifying in 1975, that they have got a yo-yo policy with us, and that on the eve of reconsideration of the dealing all of a sudden they start cleaning up their act until it is granted, then they revert back to form.

I thank you gentlemen for your testimony.

Mr. SCHULZE. Thank you.

Welcome back to the committee.

Chairman GIBBONS. Could I interrupt for Mr. Pease, and let him inquire? He had to miss his last one and I realize he was the first person here, but Mr. Pease, why don't you go ahead?

Mr. PEASE. Thank you, Mr. Chairman.

Mr. SCHULZE. I am not of the right party.

Chairman GIBBONS. We can remedy that.

Mr. PEASE. I appreciate the indulgence of the Chair and Mr. Schulze. I do have to leave in about 7 minutes.

I would like the comments of the panel—I think it was suggested this morning, I don't know if it was stated explicitly—it was suggested this morning that because of the Jackson-Vanik amendment dealing essentially with immigration, that the internal treatment of religious minorities, religious groups within Romania is essentially irrelevant to the question of whether most-favored-nation treaty ought to be extended. Would you gentlemen agree or disagree with that statement?

Mr. MOSES. I would disagree, Mr. Pease. The way I have put it in discussions with Romanian Government officials—incidentally President Ceausescu raises that issue. The response is, look, human rights is very important to the American people, it is very important to Congress, and there is no way that the Congress is going to look at emigration and turn its back on human rights. It affects how the Members of the Congress think, eventually how they are going to vote, therefore, unless you do certain things in the human rights field you are going to jeopardize most favored nation. Notwithstanding the fact that the law doesn't speak of human rights, the American people are concerned about human rights, therefore, it becomes a matter that affects the bilateral relationship. I think we ought to keep it just there.

Mr. PEASE. Well, if that is the keystone, it appears to me what is appearing in the record today is a stable or marginally improving situation in terms of emigration, and seriously deteriorating position in relation to other human rights considerations. If that is true, why won't Congress deny most-favored-nation status to Romania?

Mr. MOSES. Well, the question is against what? What is the alternative? Would human rights be advanced by denying most favored nation? In my judgment, human rights would suffer if most favored nation were denied. We are able to do things with regard to human rights in Romania because of most favored nation. Are we able to accomplish everything? By no means. We are making some limited progress.

The situation on human rights is not good today in Romania, it was not good 5 years ago, it was not good 10 years ago, but to some effect we are able to influence matters for the better because of Jackson-Vanik.

Mr. **Pease**. Well, you say that we have some leverage with President Ceausescu because you can always say if you don't clean up your act on human rights, Congress may withdraw most favored nation. I would think that after 10 years of those threats, where nothing has happened, the President might tend to discount those threats. Would it not improve the strength of those threats if we took away most-favored-nation treatment for 6 months when it would be refreshed in his mind he might have something to lose?

Mr. **Moses**. In my judgment, if most favored nation is taken away for 6 months, it is taken away forever. It is easy to talk about it in terms of 6 months, but if it is gone, it is going to be gone for a long time, not just 6 months. We have made progress. We have a certain tension that exists today. I think Romania takes it seriously, we're serious ourselves. We are able to obtain concessions from the Romanians which wouldn't otherwise be attainable. They consider the threat of the loss of most favored nation as being serious, as Mr. Eisenberg pointed out.

In some respects the threat can be more effective than the actuality. Once it is lost, the Romanians would be disposed to turn elsewhere, not come crawling back to us. They don't absolutely need us. They don't want to lose most favored nation and it is because of that desire that they are willing to do some of the things that we ask of them. Once it is lost, they will manage. Their economy is in a shambles now, it can't get much worse. They can endure with some $300 or $350 million less exports to the United States.

Mr. **Pease**. Mr. Collins.

Reverend **Collins**. Yes, sir. The Romanian Government will realize that the suspension of most-favored-trade status is not in itself a final act by the United States Congress. It is only a first step. We would hope that that suspension won't be necessary. If it is necessary, then it could be renewed in a shorter period than 6 months, maybe in as little time as 1 month, if we have a proper response from the Romanian Government.

But even the suspension is only a first step. There are far worse things that could happen between the United States and Romania than a 6-month suspension. We could talk about a total elimination of most-favored-nation-trade status for Romania.

Further than that, we could talk about economic denial of even more strategic imports from Romania. Most favored nation is not only the suspension of most favored nation, it is only a first step. It is a warning shot across the bow, which we hope we would not have to have taken, but we have come to point in history now over a period of 7 years of negotiating with the Romanian Government, we have gotten zero. Christians of Romania are more persecuted and more repressed today. Major structures are being threatened with demolition, Christian leaders are still in prison, and as I mentioned, the latest arrests occurred last month, with brutality and torture against these two Baptist young people. Something must be done. In some way we must get their attention and tell them that Christians of America, England, and other countries will no longer sit by while our brothers and sisters in Christ in that country are imprisoned, tortured, and murdered simply because of their love for Jesus Christ.

Mr. PEASE. Could I ask Mr. Moses quickly, if you exclude the record of emigration record in the last few years, do you think the treatment of religious groups in Romania has improved in the last couple of years?

Mr. MOSES. Let me speak about the Jewish community.

Mr. PEASE. All right. The Jewish community is important and I am interested in that, but let's look at emigration, set emigration aside, look at the Jewish community internally and then look at the non-Jewish religious community.

Mr. MOSES. It is a difficult decision for citizens of Romania generally. For a person who professes a religion it is even more difficult, whether that religion be the Muslim religion, Jewish religion or Christian religion. It is not a country that looks with favor on religion. At best it tolerates religion. All religious groups, including the Roman Catholic Church, operate under constraints. It is not a happy situation. The question is basically whether we are able to do some things of a positive nature because of most favored nation and I think we are.

As to the situation with the various Christian denominations within Romania, Mr. Collins has pointed to some of these difficulties, very extreme difficulties. They are real. They are painful. Even say, in some respect, they are horrible. The question is, are there things that we can do that would be more effective than what we are doing. We are not going to change the basic nature of that regime by what we decide here in the Congress.

Mr. PEASE. Mr. Moses, if you will excuse me for butting in.

Mr. MOSES. Sure.

Mr. PEASE. The question that I was posing to you is, is the situation getting better or worse for members of the religious communities, other than the Jewish?

Mr. MOSES. As far as I can tell, it is pretty much a constant. It is not an easy situation for a person who professes a faith in religion.

Mr. PEASE. Well, Mr. Chairman, I must leave for another appointment, but I suspect there may be somebody in the audience representing Romania, and I would just like to echo the comments Mr. Collins made a few minutes ago that the patience of Congress is running short. Clearly there is repression of religious groups in Romania, which want nothing more than to exercise their rights to worship God in their own way, and while there are a lot of trade and other considerations involved—political, geopolitical considerations—the patience of Congress is running short. For not much longer are we going to tolerate that kind of activity and still grant the privileges of most favored nation to Romania. I hope that message will be taken back to President Ceausescu.

Thank you, Mr. Chairman.

Chairman GIBBONS. Well, I will take you over and let you give it to him personally if you want to.

Mr. PEASE. You will have to improve the weather more than the last time.

Chairman GIBBONS. Let's see. Mr. Schulze I guess is back here. Would you tell him we are ready for him?

Let me ask you, Reverend Collins, can you give me the names of the religious faiths that are—or any of the panel out there—that are recognized by the Romanian Government? We know that the Jewish faith is recognized. We know that the Orthodox Catholic faith is recognized, and I don't know the rest of them.

Reverend COLLINS. Romanian Orthodox Church is recognized by the state. There are, I believe the number is 16 Protestant denominations which do have official status inside the country. I do not have that list with me today, but there are Baptists, Pentecostal Bretheren, Reformed Lutheran, a number of other groups. I have listed here in my statement some of the groups here in the United States which do not receive official recognition inside Romania.

Chairman GIBBONS. I asked President Ceausescu the last time I was over there, I said, why don't you just go ahead and allow these other religious faiths to function in your country?

And his response was, well, when I took power, there was one, and now there are 13. How many more do I have to have before I have religious freedom?

I said back to Mr. Ceausescu, that is not the way we look at it in the United States. Everybody is free to practice their own belief.

And he said, Yes, I know that. In the United States I have been told that, he said, but that is not the history of the heritage of our country here, we have always licensed faiths that could be practiced in our country.

And so he feels that I and others are trying to force upon him our first amendment, and I don't think there is any other country on earth that has our first amendment. I have never found one. I think he is making too much of it.

What observations to you have on that?

Reverend COLLINS. I would certainly say that in regards to the Baptist Church—that is the situation I am most familiar with—they do have a degree of freedom under the Communist government that they did not enjoy under the persecution that they faced by the Orthodox Church, which was the state church under the previous government. However, that does not justify the torture, murder, imprisonment, and continuing harassment of the Christians by the Communist government in this very time. It is still ongoing. While it is within our power to do something about it, I think we should act.

Chairman GIBBONS. You feel though if we acted and suspended most-favored-nation status, which is really simply nothing more than a nondiscriminatory tariff treatment, it is not a whale of a lot of political impact, or economic impact, that they would change a policy that has been going on in that area of the world for 1,000 years?

Reverend COLLINS. The three Congressmen who were there with me last summer have sent a letter with certain points in that letter to the foreign minister, Stefan Andrei, in which they outlined certain changes which would be moderation of the present situation.

We are not asking for a revolution in Romania. I think that is unrealistic to expect that. What we can expect is that our brothers and sisters will not be put in prison for distributing bibles and that their churches will not be bulldozed at the will of Communist officials, and that there will be no more torture.

Chairman GIBBONS. Those are all very reasonable, very sacred rights, I would agree with you. Do you really think that if we suspend this nondiscriminatory ad volorem tariff treatment for 6 months that will bring them around? I wish I thought you were right. Maybe you are.

I look at that area of the world and these people have been fighting over religion for thousands of years, and when I look at what they did to each other after World War II, when the Germans lost control and before the Russians gained control, it was a blood bath of a magnitude that is hard for man to understand.

I tried in good faith to repatriate some Romanians who were supposed to have been prisoners under the Nazis and they didn't want to go home. They knew how bad the situation was there. We had to force them to go home. I am not sure we made a very good judgment 41 years ago when we did that, but I don't think something that is minute as most-favored-nation treatment, which is nothing more than a difference between column A and column B in the tariff laws, is going to change something that has been going on in that country for thousands of years. I don't think it is big enough. It doesn't have enough wallop to it.

Reverend COLLINS. What you are saying I believe, Mr. Chairman, is it could possibly be we could only judge that a few months from now, after the fact. After suspension has taken place, we could make a judgment on that.

Romania must understand that there are far more serious steps in the way of trade denial that could take place in the future with other types of bills before the U.S. Congress.

Chairman GIBBONS. What do we do to them?

Reverend COLLINS. There are other imports Romania would be able to continue sending into the United States which may have nothing to do with most favored nation. I think a total embargo on those products could very easily take effect in the future. The Romanian Government needs to understand suspension of most favored nation is only a warning, it is only a first step. We as Christians in America, I think this is the concern. It is a growing concern to evangelical Christians.

Chairman GIBBONS. I am a Christian in America and I frankly doubt that if we cut off all trade and put on an embargo that it would make any difference as far as liberalizing the treatment of religion in Romania. In fact, I think as a Christian in America, I think it would be a mistake to do that. I think you would be talking to a very determined man, Ceausescu, who runs a very determined government, and he would just throw it right back in your face and say I have been licensing religion—he calls them cults—and you know, I don't have to bow down to you in the United States.

We not only would cut off all commercial trade with Romania, we would cut off all cultural trade. We would probably cut off our nose to spite our face. I am looking for a solution, but I don't think that what we are talking about here is enough of a stick to cause that. Our relationship with Romania is small, and what we are talking about is picayune, it is nothing in the Romanian economy, it is nothing in our economy, and I don't think that we are going to tell a person as determined as Ceausescu, change your policy or we won't let you sell a billion dollars worth of goods in this country. I think he would say——

Reverend COLLINS. Let me say further that what we are commending in the U.S. Congress in the way of suspension of most favored nation is only one consideration.

Chairman GIBBONS. What else could we do?

Reverend COLLINS. We are talking about a resolution before the Canadian Parliament—I am addressing members of the Parliament—resolutions are taking place there involving trade with Romania. Similar resolutions are taking place in the British Parliament through David Atkinson, who is a member of the British Parliament, who is also president of our organization there, and he is also a member of the European Council. Resolutions are now being considered involving trade with Romania in Germany, and France, where we also have offices.

It is not the Christians of American who are concerned about the situation in Romania, Romania is finding itself increasingly isolated around the world. It is not just the United States Congress which is taking into consideration of suspending trade with Romania. Romania cannot live alone with its foreign debt.

Chairman GIBBONS. Mr. Collins, I have met with all of those representatives of all of those countries within the last year, and not a single solitary one ever told me that they were planning any kind of action, unilateral or bilateral or multilateral, against Romania. Maybe for the world to act in unity against Romania maybe we could do something, but I think it is almost make believe to think that the United States is going to change the Romanian policy by cutting off all trade. I really don't think it is going to happen.

Reverend COLLINS. Let me say I am not recommending——

Chairman GIBBONS. Have you ever talked to Mr. Ceausescu?

Reverend COLLINS. No, I haven't, I have only met with the President of the Parliament and with Foreign Minister Andrei on a couple of occasions. When we talked about human rights they are very glad to bring up the discussion of high technology trade and in exchange for human rights concessions. This was done in conversations with the Trade Minister also last summer, when I was present with the three Congressmen who testified earlier. I, as a Christian, find it unconscionable to discuss business and human lives in exchange.

Chairman GIBBONS. As a Christian I feel the same way, but what you are saying is if you don't do it just exactly like we do—despite your 1,500 years of intolerance over there, change it right away—we are going to make you wish you changed. And all I can see is further recrimination, that is what happened when we told Russia unless they change their policy we were going to cut off trade. They said cut it off, and what they did is capture 150 million Jews inside of Russia. I think that was a mistake. The Congress rose up in 1974 and said we are going to tell the Russians how to run their country. The Russians rose up and said buster, you are not, and they have kept 150 Jews captive over there until hell freezes over.

Mr. MOSES. 150,000.

Chairman GIBBONS. Excuse me, I am sorry, you are right it is 150,000, and it is a lot of people.

Mr. MOSES. Absolutely.

Chairman GIBBONS. It is because of the policy that this Congress thought it could unilaterally impose upon Russia.

I have talked to President Ceausescu, and as long as he is around, nobody is going to tell him how to run his country. Anybody that can impose as much hardship on his country as he has imposed on his, hardship to pay back a few bankers in the world, is not going to play patsy to somebody else who says he is going to cut off a billion dollars' worth of trade. It is not that important to him.

Maybe if you could move, if there was some bigger international movement there, you could do something, but frankly I meet with European parliamentarians twice a year, and I meet with the Canadian parliamentarians once a year, and not one of them has ever mentioned anything about Romania.

Reverend COLLINS. We would appreciate your encouragement in your words to them to encourage them to join with the United States Congress in seeking a unified solution to the problem of Romania and human rights violations.

Again, I state that we don't expect another revolution in Romania. It is a Communist government. We live with that reality. We simply have not seen any change because of most favored nation in the status quo of Christians over the past 7 years or in the state of suffering of the Christian Church over the past 7 years. The situation, if anything, has gotten worse. We must do something more than seek to negotiate with the Romanian Government about the annual renewal of most favored nation. We believe that 6-month suspension is presently in order and that is my opinion and I certainly value your opinion.

Chairman GIBBONS. Mr. Schulze.

Mr. SCHULZE. Thank you, Mr. Chairman.

I just have one question for each of you gentlemen, if you would answer, and that is, whether in your opinion, the emigration policies of Romania have gradually improved and whether they are improving now, becoming more free and people have better opportunity and are freer to emigrate than they have in the past. That is really the criteria that we are searching for. I would like to have each of your opinions on it.

Mr. MOSES. The answer, Mr. Schulze, is yes, and just because of most favored nation. If it weren't for most favored nation, they wouldn't let them out, unless there were some other objective they had in mind. Policies are better today than they were 5 or 6 years ago. Though still far from perfect, most favored nation is a means at our disposal to keep the pressure on the Romanians to improve emigration.

Mr. SCHULZE. Even with the preemigration form that wasn't there 5 or 6 years ago?

Mr. **Moses**. No, that has always been there. You have to go to the police station and submit your request for an emigration form, and when you do that, the fact is that you are in many instances then, confronted with a group of fellow citizens who accuse you of betraying the Socialist motherland, you are subjected to psychological pressure, and treated as an outcast. That has been true certainly for the 10 years that I have been involved in this business. They have cleaned up their act somewhat, but not completely.

Mr. **Schulze**. Thank you.

Reverend **Collins**. I think the statistics produced earlier by Mr. Crane's office would indicate that there hasn't been much of a change in emigration previous to most favored nation and the present time. I would again like to state that the fact that so many people are filing for emigration and want to leave the country is simply indicative of a more serious problem and that is the repression of human lives and human spirits under that Communist system.

We can't deal with the symptoms, we need to deal in our trade negotiations, with that much greater problem in creating a climate of freedom within the country of Romania so that the people will not have to leave their beloved homeland.

Mr. **Eisenberg**. I think we all share similar views about the repressiveness of the Government. I think I share Mr. Moses' view in terms of emigration. We have had to hammer away in a broad array of cases. The numbers vary but there is more or less an even rhythm to them over the last few years. I would attribute that to the most-favored-nation treaty?

Mr. **Schulze**. Thank you gentlemen.

Chairman **Gibbons**. We thank the panel for your testimony.

Congressman Hoyer, I am going to have to ask Mr. Crane to preside.

STATEMENT OF HON. STENY H. HOYER, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF MARYLAND, AND COCHAIRMAN, COMMISSION ON SECURITY AND COOPERATION IN EUROPE (THE HELSINKI COMMISSION)

Mr. **Hoyer**. Thank you very much, Mr. Chairman.

It appears that you have become the majority party very quickly. As a matter of fact, the uncontested majority party at this point.

Mr. **Crane**. Mr. Schulze suggested we quickly put this issue to a vote while the chairman is out.

Mr. **Hoyer**. You may not want to hear my testimony then.

Mr. Chairman, Mr. Crane, Mr. Schulze, as Cochairman of the U.S. Commission on Security and Cooperation in Europe, I am pleased to address the subcommittee on the issue of continuation of most-favored-nation status for Romania and Hungary.

I would like to commend the subcommittee for its decision to hold hearings on most-favored-nation status this year. The Commission on Security and Cooperation in Europe—Helsinki Commission—is heartened to observe that in recent years the Congress has turned increased attention to the most-favored-nation deliberations. Senator Heinz, Congressmen Smith and Porter, all members of the

Commission, have done a tremendous amount of work on the issue of most-favored-nation status for Romania and Hungary.

While we at the Commission recognize that the trade terms of Jackson-Vanik explicitly are tied to emigration performance, implicitly the amendment embraces wider human rights considerations, such as respect for freedom of expression, religious liberty and minority rights.

If emigration figures were the sole yardstick by which we measure the state of human rights in Hungary and Romania, then our choice would be relatively simple. But our choice is immeasurably more difficult than counting the number of exit visas issued. The real question we must ask ourselves every year is this: How can we best promote the humanitarian aims of Jackson-Vanik?

Turning to Hungary, the Commission is pleased to note that family reunification cases between our two countries have been continued to be resolved without difficulty. While the number of cases between Hungary and the United States at any one time has never been high, the resolution of outstanding cases by the Hungarian authorities over the last 3 years demonstrates how the annual—and I stress annual—MFN review can work to meet the concerns of all those involved. At the same time, however, it must be remembered that Hungary continues to have restrictive emigration laws.

While I would not argue with those who state that Hungary's human rights practices are better than those of other East bloc countries, nevertheless, I believe that Hungarian performance over the past few years has worsened. Hungarian citizens who, in conformity with the Helsinki Final Act, and the Madrid Concluding Document, speak out for human rights and express their independent views on other sensitive issues, frequently are harassed with periodic apartment and automobile searches, short-term detention for questioning, police reprimands, and heavy fines. From January to April of this year, these actions were stepped up against the dissident community in Hungary. Other repressive measures were taken against Hungarian citizens during and immediately following the Budapest cultural forum last autumn, as well as against peaceful demonstrators on two occasions earlier this year.

These actions are mild relative to practices in countries neighboring Hungary. Nevertheless, they have been successful in forcing Hungarian dissident intellectuals to carry on their activities in a much less open manner. Although I do not oppose the extension of most-favored-nation status for Hungry for another year, nevertheless, I urge the Hungarian Government to cease the harassment of these and other individuals who act upon their rights as expressed in the Helsinki Final Act.

With respect to Romania, the decision to extend Romania's most-favored-nation status has been increasingly difficult to justify because of Romania's poor human rights record. This year, the President has indicated that he had serious misgivings about extending most favored nation for Romania. Indeed, continuation of most-favored-nation status for Romania faces more intense opposition from the Congress than ever before. Out of increasing awareness of the bleak human rights situation and frustration over the inadequate responsiveness to congressional concerns by the Government of Romania, an array of legislation concerning Romania's most-favored-nation status has been put forward in both Houses, calling either for out and out revocation or a 6-month suspension of most-favored-nation pending the President's reevaluation of human rights conditions.

Also, companion resolutions have been introduced by Congressman Yatron and Senator Pressler, which summarize the areas of concern, areas in which we would like to see significant improvement and in which we at the Commission feel real improvement is possible to achieve in the near term. We are not making unreasonable demands of the Romanian authories. However, we do expect to see Romanian recognition of the seriousness of our concerns and concrete improvements made by the Romanian Government.

On many occasions over the past several months I and other members of the Commission and Commission staff have reviewed these areas of concern with Romanian representatives. Most recently, I met with the Romanian Ambassador to the human contacts experts meeting in Bern, Switzerland. I conveyed the full range of human rights concerns of the U.S. Congress in the areas of prisoners of conscience, religious liberty, minority rights and emigration. I explained clearly the Congress' very mixed feelings about extending most-favored-nation status for another year to Romania. At the same time, I noted that we have seen some, but as yet not sufficient, progress.

At least four times a year the Commission presents a list of human contacts cases to representatives of the Romanian Government. Recently we at the Commission have seen an increase in the number of exist visa approvals from Romania involving cases raised on our list. Of 271 cases on the Commission's June 1985 case list, as of June 6, 103 have been resolved, that is, the people left Romania, and 70 have received approval from the Romanian Government to depart. This represents a 64 percent approval rate and is an improvement over last year's 50 percent approval rate.

Of cases for whom the Commission asked that special consideration be given, 52 percent have been either resolved or approved. This also represents an increase over the previous year, when 36 percent had been resolved or approved. Moreover, a bilateral understanding has been reached between our two governments that will ease the hardships previously imposed on Romanian passport holders, awaiting entry to the United States. Whereas, approval rates have been down for exit visas to Israel and the Federal Republic of Germany, we have seen a recent increase in approvals to both countries. And Romanian mathematician Radu Rosu, whose case is of particular interest to the U.S. scientific community, finally has obtained his passport and visa and can come to the United States.

Some prominent prisoners such as Father Calciu, Constantin Sfatcu, and Dorel Catarama have been released. Furthermore, Bucharest has announced an amnesty which apparently will free some prisoners of conscience and reduce the sentences of others. Last week, Emil Mocanu, jailed for allegedly helping his brothers to escape from Romania, and Radu Filipescu, jailed for handing out leaflets calling for a peaceful demonstration against the Ceausescu regime, were freed from prison.

While we welcome these positive steps, we know that many longstanding cases remain unresolved and we continue to have very serious concerns about the pressures brought to bear on conscience, and the protection of religious and minority rights in Romania. We know that believers who are members of unrecognized or banned religious groups are forced to practice their religion at risk and in secret and that even those who belong to recognized churches who practice their religion beyond the circumscribed limits permitted by the Government face harassment and prosecution. For the Hungarian and German minorities in Romania, fewer opportunities to be educated in their native languages exist beyond basic schooling. Romanian Government policies clearly impinge on minority enjoyment and transmission of their unique cultures. And minority rights advocates are targets for harsh treatment by the authorities.

Over the years, in the Commission's view, Jackson-Vanik has been a very useful tool of human rights leverage. Its effectiveness has been apparent in recent months as we have seen Romania making some gestures to meet congressional concerns. As we carefully consider the new forms of legislation proposed, we must ask ourselves some searching questions:

Would revocation or suspension of most-favored-nation increase or decrease leverage?

Is suspension tantamount to revocation?

If we were to choose suspension, could or would Romania respond to our concerns in time to affect the proposed 6-month review by the President?

Would the explicit introduction of preconditions beyond emigration, such as respect for religious and minority rights, make leverage more or less feasible?

Would the passage of companion legislation to Jackson-Vanik out of concern for Romania have a detrimental effect on our potential Jackson-Vanik leverage vis-a-vis the U.S.S.R.?

Before considering the passage of new legislation, have we sufficiently utilized other tools of human rights leverage available to us, such as CSCE, to affect conditions in Romania?

In its concerted effort to affect the human rights situation in Romania, the Congress must weigh all of these considerations carefully. Human rights conditions in Romania are harsh, the most-favored-nation stakes are high, and the choice will be a very hard one for Congress to make. One thing remains clear: It remains only for Romania to act within the framework of the Pressler-Yatron resolutions and act now, if it is to ensure continued most-favored-nation status. The ball is in Romania's court.

Thank you for your kind attention.

May I add that all of us at the Commission are hopeful that the Romanians will try to meet whatever tests are set forth by the Congress. Let me clarify that not the tests that are set forth by Congress because the regime obviously can respond that they are an independent nation, as indeed they are. They nevertheless freely undertook to sign a document which said that the Government would accord the rights of which we are talking—the rights included in the Yatron-Pressler resolution, the rights which you, Mr. Crane, and others, have been talking about today, to their citizens.

They are not doing it, and we have a right to demand it.

Thank you very much, Mr. Chairman, and again, I want to congratulate the committee for holding these hearings.

Mr. **Crane**. thank you for your testimony.

In your testimony you indicated that if the path of suspension is chosen, could Romania respond in time to affect a 6-month review? And I think, based upon the previous testimony that we had from Mr. Eisenberg, looking at Jewish emigration, they can sure produce a whale of a lot of it in 1974 on the eve of qualifying for most favored nation and that as soon as they got it, they cut it back to less than half that and the action last week on the eve of these hearings, all of a sudden proclaiming that a thousand people will be allowed to emigrate, I suggested that it is like a yo-yo policy. Is that your general assessment?

Mr. **Hoyer**. I don't think there is any doubt but there is that yo-yo effect. Now, I think frankly, you could argue in light of that effect, from both views as to whether to suspend MFN if in fact suspension is tantamount to revocation, that to keep this yo-yo going if for no other reason than you like having the yo-yo up that you need leverage. You might not like having it down, but if you keep the process going the yo-yo comes up.

Very frankly, I am going to tell you that I think generally and the view of some of our staff experts in dealing with this is that notwithstanding your example, it would be difficult given the broader interests that are being discussed here to exert pressure upon the government with suspension of MFN in effect.

Not only might I cite that emigration numbers are getting better, but in some respects—marginal progress has been made in certain other instances. Because, although the numbers were rising, until very recently the process was still tough, still lengthy, still bureaucratic and filled with redtape. It seems to me that we are concerned with the emigration numbers but again, as Mr. Collins and others have pointed out, the Commission's agenda is much broader than that, encompassing religious and cultural freedom within that nation. Whether Romania could move within a 6-month period I guess is again in the eye of the beholder, or whether somebody like Ceausescu felt he could move that fast or was inclined to move that fast, I do not know, or whether suspension of MFN status would cause that to happen, I don't know.

I would tell you frankly—and this is my personal opinion--tend to be sympathetic to the view expressed by the chairman, Mr. Gibbons, in terms of whether suspension would have the desired effect and therefore the yo-yo effect may be better than nothing.

Mr. **Crane**. Turning to one other country under consideration, namely Hungary, you indicate that the Commission perceives increased repression certainly in the human rights area. About 85 to 90 Hungarians are permitted to emigrate annually to the United States. This year it may reach 100, may actually break 100. But are you familiar at all with any of the Hungarian laws governing emigration? Has your Commission looked into that?

For example, the Library of Congress European Law Division informed my staff that only those persons who declare that they wish to retain their Hungarian citizenship and therefore request issuance of a Hungarian passport instead of an emigration permit, will receive permission to leave the country permanently.

In addition to that, no one under the age of 55, without a relative in the United States can apply for emigration. Have you folks on the Commission had a chance to look into any of——

Mr. HOYER. Sitting to my right is Mr. Hand, who is an expert in this area from the Commission. The answer to your question is yes, we have looked into it in terms of specific laws. Generally speaking, however, in answer to your broader question about Hungarian emigration, I think it is fair to state that this Commission does not perceive emigration to be a major problem with Hungary. As a matter of fact, it is less of a problem in Hungary than in any other Eastern bloc nation with whom we deal.

Mr. CRANE. Less than Romania?

Mr. HOYER. Substantially less, notwithstanding the difference in numbers.

Mr. CRANE. There is a big problem with Romania?

Mr. HOYER. Yes, sir, clearly, there is, Mr. Crane. If I may—I think it fair to say that the Commission and its staff—and I refer to the Commission staff because, as you know, it is probably one of the most expert bodies that we have in the country in dealing with the Helsinki process—view Hungary in terms of its human rights observation and its respect for human rights—notwithstanding the breaches that occur in Hungary—to be better than any other East bloc nation, period.

Mr. CRANE. But, you do indicate that there are serious problems with regard to the right of emigration with respect to Romania, is that correct?

Mr. HOYER. Yes sir.

Mr. CRANE. Well then, that means most favored nation to Romania is in clear violation of Jackson-Vanik.

Mr. HOYER. Let me say that although there are serious problems, there are nevertheless, as you can see simply by looking at the numbers, as I stated earlier, indications of marginal progress. I don't mean by any stretch of the imagination that they are doing what we think they ought to be doing vis-a-vis the CSCE process.

Mr. CRANE. Well then, so to keep us all legal, don't you think we ought to modify the Jackson-Vanik language to include some subjective determinations of the level of effort to observe the concept, rather than an absolute adherence to the right to emigrate, without any kind of harassment, ought to be something taken under consideration by the committee? In other words, Jackson-Vanik language, it seems to me, is pretty implicit.

Mr. HOYER. I would not—I think you know the answer to that question—I would not be, nor I think the committee, would be for modification of Jackson-Vanik. Jackson-Vanik has been very helpful and the fact that you speak about loopholes, frankly, is specifically the reason the United States was the strongest voice against signing the human contacts final document that was proposed by the neutral and nonaligned nations because some perceived that it had loopholes in it, exceptions or reasons on which the Soviets and other East bloc nations could hang their hat as to not doing something. In those terms I don't think any of us would be for modification of Jackson-Vanik.

However, I don't think it necessarily follows that because there is not absolute adherence to Jackson-Vanik that we ought to take certain specific action to modify it.

There are some who say because the Soviets and other Eastern bloc nations do not implement the Final Act, then we ought to abrogate the Helsinki Final Act. Most of us don't believe that. Why? Because it involves a process that focuses attention on that. That is one of the reasons I think MFN review is important. I think it has leverage; it has that yo-yo effect. Mr. Gibbons pointed out that if you didn't have it, you wouldn't have the yo-yo coming up, you would have it always down. I don't know for sure whether that is the case, but I think there is reason to believe that might be the case.

Mr. CRANE. Kind of like doing 75 on the interstate in a 55-mile-an-hour zone it would seem.

Mr. HOYER. Everybody has their own analogy I suppose.

Mr. CRANE. It just seems to me that the 6-month suspension as proposed by my colleagues who testified earlier this morning, might be a little bit like that first ticket for speeding on the interstate. It is not a revocation of the license, but it is a warning that you keep the practice up and you will lose your license.

Mr. HOYER. I was not here but I presume you are referring to Mr. Wolf and Mr.——

Mr. CRANE. Their legislation.

Mr. HOYER. And Mr. Hall. I have talked to them. I am in great sympathy with their anger, as I think all of us in the Congress ought to be. I am in great sympathy with their objective to make known to the American public and to the international community that Romania, one of the Helsinki signatories, is least in compliance, least close to the human rights objectives of that document. I think we ought to do that.

The practical question becomes is this the best vehicle to do that?

Finally, what effect would suspension have? I want to make it clear, that I am in complete accord with their anger, outrage, and frustration that they have expressed.

Mr. CRANE. I thank you for your testimony.

Chairman GIBBONS. Mr. Schulze.

Mr. SCHULZE. Thank you, Mr. Chairman.

I would like to thank our colleague for his presentation, it was interesting and I am sure he is aware we go through this process every couple of years and it does create pressure and I hate to say this, but I guess we are going to end up going through the same sort of frustration, that this pressure will not pass.

I used to think it would be a good idea to have it pass the subcommittee and full committee by one vote or two votes, then go to the floor and perhaps fail by one or two votes, but I have given up on that. I think we ought to pass it and go. I don't mellow with age, I get a little bit harder line. I think those people we are dealing with, human lives, people who are abused and who do not have the freedom we take for granted, and we sit back and think that is all right because we are doing business, we are profiting, and there comes a time when we have to draw a line. I understand the gentleman's views.

Mr. HOYER. I need not respond to the comment. That was essentially the message that I delivered to the Ambassador, that the frustration in the United States and of the U.S. Congress certainly was not going to lead to mellowing anybody's response to the question of MFN status.

We tried to make that view very clear to everybody with whom we talked in Bern. I was in Stockholm 2 days before that, talking to the Soviet CDE Ambassador and spoke to the relationship between the human rights provisions of the Helsinki Act and the security measures of the Final Act. I indicated that the U.S. Congress did not isolate these issues; that they were an integral aspect of any understanding between the nations.

I agree with you, such frustration is not going to mellow the Congress, nor should it.

Mr. SCHULZE. It is hard for them to understand, if they did loosen up in these areas and instead of people flooding out, I think they would decide to stay, and the Government would have fewer emigration problems. But it is difficult for them, I think, to understand they would have a much happier and satisfactory society——

Mr. HOYER. We on the Commission find it incredible. In an area where there are relatively small numbers involved, such as with the reunification of families, we cannot help but question why in heaven's name do certain Eastern bloc nations not allow reunification or simply the right of citizens to leave. If nothing else, it is a stupid PR move.

Mr. SCHULZE. So I guess our role is to keep up the pressure. We will do that, and I thank you for your testimony.

Mr. HOYER. Thank you, Mr. Chairman.

Chairman GIBBONS. Thank you, Mr. Hoyer. We appreciate it and look forward to continue to work with you on the Helsinki Commission.

Next we will have a panel of former Ambassador Funderburk, Mr. Charles Gati, Mr. Birnbaum, and Ms. Juliana Pilon.

Mr. Former Ambassador, first let me say on behalf of some of us in the room, we appreciate the hospitality you showed us when we were in Romania about 2 or 3 years ago. We know of your experience and look forward to hearing from you.

STATEMENT OF HON. DAVID B. FUNDERBURK, FORMER U.S. AMBASSADOR TO THE SOCIALIST REPUBLIC OF ROMANIA

Mr. FUNDERBURK. Thank you very much, Mr. Chairman.

Having spent 6 years of my life in Romania, almost 4 of which were as the U.S. Ambassador to Romania, I have special and lasting interest in the country and its people. My main objectives as Ambassador were to look out for the national security interests of the United States and to look out for the plight of the people in Romania and show them that the United States had not forgotten the majority of the people as opposed to the Communist Party leadership elite.

Mr. Chairman, there was and there is no political gain in North Carolina by imposing most favored status for Romania. I do that because ideals require it. The U.S. Government, in my view, should be supporting freedom and concern for human rights and not in alliance with a duplicitous, tyrannical, Communist regime which makes fools of the United States. I wonder how it is that virtually every refugee, every defector or immigrant from Romania knows the reality of life there, but apparently not most of the people in the U.S. Government.

There are a few things that I wanted to address in particular. During the past 15 years, including a decade of most favored nation, the internal human rights situation has gotten worse. I don't think a day in Romania makes an expert, and it might be best here to talk about people who have lived for a long time there or worked there. In many areas, Romania, in terms of foreign policy, is less independent than ever due to closer economic, energy, military, and political cooperation.

But what has been our policy since the late 1960's has not been producing the desired results, and as you know, and since it has been well publicized, the U.S. objectives toward Romania and Eastern Europe, the policy of differentiation, are to try to help foster internal reform, including improving human rights, emigration, and the general plight of the people on the one hand, and to try to support what efforts any government in Eastern Europe made as a divergent foreign policy. Our policy has not produced these results, and I think we have lost ground in both areas.

Instead, we are being used for aid, trade and technology, and political support, which helps the Government repress the people. So it is time to put the interest of the U.S. Government and its people and its principles and those of the long suffering Romanian people first.

I think we can only do this by withdrawing most-favored-nation status and insuring that the Romanian Government makes commitments and lives up to those commitments before giving the MFN, and only in doing this can we best serve United States national interest and the Romanian people.

To help substantiate this point, I would like to disagree with what I have heard before. If you want evidence for whether MFN has value for Romania, you don't get it from the mouth of Nicolae Ceausescu. Of course, he would say he could take it or leave it, and it is of no real value to him. But the fact of the matter is most favored nation gives a lot of money, which is a lot of hard currency in Western dollars which is desperately needed by the Romanian Government and would be very difficult for them to replace.

In addition, it gives them access to certain technology and to certain trade and to certain aid, not only from the United States, but from other Western countries. Romania's reputation, Romania's image, and Romania's claim to be carrying out an independent foreign policy rests in large measure on most-favored-nation status. If we dropped MFN for a while, this would provide us with tremendous leverage. We don't have very much now; we get a sop or two during the month prior to MFN, but that is a sop determined by the Romanian Government, not usually by us.

If you look at the overall financial support of the Romanian Government of $1 billion in overall trade, $600 to $700 million in hard currency revenues from exports is crucial to the Romanian economy, and not only that, by the United States granting MFN to Romania, this makes it more likely that the Federal Republic of Germany, France, and other Western European countries will also treat Romania in a favorable light, and it means additional credits in that regard.

This Government of Romania was listed by an ACDA report as the fifth arms military exporter in the world, mainly to Arab States and Marxist-Leninist guerrillas. The Romanian Government has over 20,000 radical Arab students, many training in terrorist activities outside of Bucharest. This government has transferred technology from the United States and the West to the Soviets.

Maybe we need some witnesses from the U.S. Government who are willing to admit that we have classified information which shows this, or maybe those who have actually seen it. But I would challenge the U.S. Government representatives who should know better, that they ought to go back and look at our classified evidence, documentation, and information and see the extent of Romania's transfer of technology from the West and from the United States to the Soviet Union, and thus Romania's integral value and membership to the Warsaw Pact.

They should also look at Romania's very close connections with Libya, which I know Juliana Pilon will mention, Romania's close connections with the PLO, with Syria, with Iraq and Iran, and with Romania's support of military armaments throughout the Middle East. Romania closely collaborates with the Soviets militarily, economically, and securitywise.

The U.S. Government and the State Department arguments are always we need to grant MFN to Romania because they are autonomous in foreign policy, and Romania allows a large number of people to emigrate so we can overlook all of the other problems you have in Romania. But there is a debate obviously, and there is a big disagreement as to how independent Romania really is, and many people who have studied it for years and many who have worked closely with Ceausescu, like Pacepa, many of whom have looked into the background of Ceausescu know he spent a considerable amount of time studying in Moscow and Leningrad prior to being named president of Romania's Communist Party.

They know there were agreements made and an understanding made Ceausescu and his predecessor would try to project Romania as having an independent foreign policy. What we saw, in looking at documents that came from every European capital on a weekly basis, was that Romania in a Warsaw Pact meeting would release for public dissemination the idea that they were creating a big problem in these meetings and that they were taking a different path from that of the Soviets.

If you looked very closely after these meetings were over with, whether they had to do with missile deployment, whether they had to do with disarmament or renewal of the Warsaw Pact, in every case you would find Romania closely aligned with the Soviet Union once the dust had settled. And there was no great difference other than in what was projected for us to see. And I don't think, in view of the fact that we are well aware of the expertise of the Communist world in disinformation, that we want to believe everything that they project to the Western World or to us.

For the most part, the State Department looks on the period of most-favored-nation status renewal as an irritant during which time those in the United States and the world concerned about human rights and freedom must be pacified. The ultimate concern is the renewal of MFN and continuation of the differentiation relationship with Romania.

So any congressional hearings, any petitions, any demonstrations, any damning testimony, any criticism of MFN has to be carefully addressed and downplayed by the State and Commerce Departments and others in MFN alliance with Bucharest.

I watched this process closely for years. The emphasis is on the so-called independence of the Ceausescu government, which is a sham in my view, and, of course, emigration numbers, which is something else that I want to bring up a question about. A case is drawn up putting Bucharest in the best possible light in terms of its internal situation, which is hard to do, but I have seen it done today as I have before.

What does it take to wake up the United States Government to the reality of Romania's tyrannical regime and its threat to United States national security interests? Apparently, the revelations of former Deputy Intelligence Chief Pacepa and Father Calciu and other defectors have fallen on deaf ears. Why just prior to MFN renewal each year is it the pro-Bucharest lobby of the State and Commerce Departments, American businessmen who make money off this relationship and the favored few who keep cozy ties on a personal basis with Ceausescu, why do they band together to assure this travesty is perpetuated? They trek to Bucharest, and they meet in Washington each year between April and June to make sure some sop or announcement of a sop comes from Bucharest. This annual farce is played out as a dramatic announcement each year is made assuring that things have gotten or are going to get better in Bucharest in terms of human rights and emigration and that the friendly bonds between Bucharest and Washington have been maintained for the good of all.

In terms of the emigration statistics, which the United States Government has put forth for this hearing, I would like to point out, following up on what Congressman Crane mentioned, that from 1975 through 1985, if you take the emigration figures, the overwhelming majority of the emigrants leaving Romania, over 80 percent, were ethnic Germans to the Federal Republic of Germany or ethnic Jews to Israel.

We had information that showed that each one of these governments was paid in the area, in the range of $10,000 per head for each one of these people. In addition, a lot in terms of credits, in terms of other assistance was given to the Government in Romania.

I would just suggest that it might be undermining the spirit of Jackson-Vanik to say that we ought to give Romania credit for this 100 and something thousand emigration, free emigration, when in fact over 80 percent of them are, in effect, purchased or paid for by ransom, and only those, as far as I know, to the United States directly, who for the most part are ethnic Romanians, are not paid for, but have paid a great deal personally for this.

Finally, I have witnessed an endless disregard for basic human rights in Romania. From the documented, and this is gain documented, if anyone wants to bother to see that the U.S. Government is giving this aid to a regime which took part in the death of the Roman Catholic priest, Father Geza Palfi, a government we have documented complicity of involvement in this death, in the bulldozing of Baptist, Orthodox and other churches and the disappearance and deaths of many other pastors and the general persecution of religious believers and political dissidents. Human rights violations are widespread and well documented.

This regime is one of the most oppressive in Europe. I don't know why we have to say that we are intimidated and afraid that if we withdraw or suspend MFN we are going to lose something from this regime. We can only gain in the eyes of the rest of the world, in the eyes of Romanian people who look to us to do this, and I believe also we can only gain real leverage, it may take 2 years, but the fact is the Romanian Government desperately needs most-favored-nation treaty status, and in my view, if we withdrew MFN or suspended it, they would do what they could to try to get it back, and this would put us in a better situation in the long term, and we would have, if nothing else, taken a stand in consistency with what we believe as a free democratic country.

Thank you very much.

[Applause.]

[The prepared statement follows:]

STATEMENT OF DAVID B. FUNDERBURK, FORMER U.S. AMBASSADOR TO ROMANIA (1981-1985), OF BUIES CREEK, NORTH CAROLINA,
TO THE SUBCOMMITTEE ON TRADE #29, COMMITTEE ON WAYS AND MEANS,
U.S. HOUSE OF REPRESENTATIVES, HEARING ON MOST-FAVORED-NATION
TRADING STATUS FOR THE SOCIALIST REPUBLIC OF ROMANIA, JUNE 10, 1986

TESTIMONY IN OPPOSITION TO MOST-FAVORED-NATION STATUS FOR ROMANIA

Having spent six years of my life in Romania, almost four of which were as the United States Ambassador to Romania, I have a special and lasting interest in the country and its people. My main objectives as Ambassador were to look out for the national security interests of the United States, and to look out for the plight of the people in Romania and show them that the United States had not forgotten the majority of the people as opposed to the communist party leadership elite. In fact at the end of my Ambassadorial term of service, President Reagan wrote to me on April 29, 1985: "Your efforts to improve the human rights situation in Romania have exemplified this Administration's strong dedication to the cause of freedom and they have helped to strengthen our ties with the Romanian people. . . . You are also to be highly commended for your steadfast support of our national security interests in Europe."

While I am convinced that the President is deeply concerned about these things, it has saddened me that American Government policy as implemented chiefly by the State Department on a day to day basis, generally does not put human rights abuses on the front burner in policy considerations. Instead our policy as carried out by the State Department is more interested in continuing the Nixon-Kissinger illusion of Bucharest tweaking the Russian bear by courting Romanian President Nicolae Ceausescu's ego and fostering his maverick image. It has been considered more important to keep strong trade ties and Most-Favored-Nation Treaty Status and maintain the status quo of good diplomatic relations with communist Romania, than to let human rights concerns or even America's best national security interests get in the way.

For the most part, the State Department looks on the period of Most-Favored-Nation Status renewal as an "irritant" during which time those in the United States and the world concerned about human rights and freedom must be pacified. The ultimate concern is the renewal of MFN and continuation of the "differentiation" relationship with Romania begun in the late 1960's. So any anti-Bucharest demonstrations, petitions, Congressional hearings--even with sometimes damning testimony, and criticism of the MFN relationship, have to be carefully addressed and downplayed by the State and Commerce Departments, and others in MFN alliance with Bucharest. The emphasis is put on the so-called "independence" of Ceausescu's Government which is basically a sham and his supposed value to the United States and West through trade, diplomatic positions, and emigration. A case is then drawn up putting Bucharest in the best possible light in terms of its internal situation.

What does it take to wake up the U.S. Government to the reality of Romania's tyrannical regime and its threat to U.S. national security interests? Apparently the revelations of the former deputy intelligence chief Ion Pacepa, of the leading Romanian Orthodox Church dissident priest Father Gheorghe Calciu-Dumitreasa, and of countless other defectors, have fallen on deaf ears. Is it because the MFN relationship with repressive Romania represents such a darling coup for previous policy that the truth can not be admitted? Is this why just prior to MFN renewal each year, the pro-Bucharest American lobby of the State and Commerce Departments, the American businessmen who make money off this set-up, and the favored few keeping cozy ties with Ceausescu, band together to ensure that this travesty is perpetuated? They trek to Bucharest and they meet in Washington each year between April and June to make sure some sop or announcement of a sop comes from Bucharest. This annual farce is played as a dramatic announcement is made assuring that things have gotten or are going to get better in Bucharest in terms of human rights and emigration, and that the friendly bonds between Bucharest and Washington have again been maintained for the good of all.

It should be enough to say that because Romania is a loyal member of the Warsaw Pact and COMECON; has a communist party originally installed by Moscow which implements a Stalinist internal policy; and has a long border with the U.S.S.R.; Romania can hardly be independent of Moscow in stark reality. But since that reality apparently has only limited meaning for many, some other facts can be listed which relate to Romania's supposed independent foreign policy.

The record shows that Ceausescu spent a considerable amount of time in the Soviet Union prior to becoming the chief of the Romanian Communist Party. Romania has transferred valuable technology from the West (including the United States) to the Soviet Union as it is obligated to do by treaty. The Soviet personnel presence (diplomats, factory assistants, advisors, or whatever one calls them) in Romania is far larger than reported or known earlier. The degree of military and economic cooperation is much more substantial than previously believed (e.g., joint training and activities of various military officers and specialists; and oil/gas development arrangements between the two countrie sending workers to the U.S.S.R.). And strong evidence indicates that Romania and the Soviet Union work together in assisting terrorists and in drug dealings behind the scenes. Romania serves as a surrogate and go-between for the Soviets where Romania has greater entree, such as with some Third World and Mid-East countries. And finally the evidence shows that although Romania by design projects for public consumption stories of Romanian struggle with the Soviets inside the W.T.O. on issues such as disarmament, missile deployment in Europe and pact renewal, the fact is that when the dust has cleared Romania is found closely aligned with the Soviet position. In my view after studying this deception for years, it is the responsibility of the U.S. Government to see through it and not let Ceausescu's so-called independence be the excuse for letting Romania virtually off the hook in terms of human rights violations.

I witnessed while Ambassador to Romania an endless disregard for basic human rights in Romania. From the documented complicity of the Romanian Government in the death of Roman Catholic priest Father Geza Palfi to the bulldozing of Baptist, Orthodox and other churches, to the general persecution of religious believers and political dissidents, human rights violations are widespread and well documented. Romania's current regime is one of the most repressive and tyrannical in Europe.

During the MFN period in Romania, the human rights situation and the overall plight of the people in terms of food, heat, electricity, gas, and freedom, has gotten worse. If anything Romania is less independent of Moscow. It is in the context of Romania's extensive collaboration with the Soviets (and lack of an independent foreign policy) and its terrible human rights abuses, that we must reassess U.S. policy. The interests of the American Government and people and of the freedom-loving people living in Romania must be put first for a change. Only by withdrawing or suspending MFN until the Romanian Government makes substantial commitments and lives up to them, should we then consider extending MFN again. We have now got it backwards.

Our government's policy as implemented essentially helps the communist regime while not benefitting the people as a whole. It is our duty as concerned believers in God and as freedom fighters to help ensure that the U.S. Government carries out a policy which aids those fighting for liberty and basic human rights in communist Romania while at the same time looking out for our best national interests. We must be in solidarity with the peoples behind the Iron Curtain (in Romania: Romanians, Hungarians, Germans, Jews, Gypsies and others) who are sacrificing for us, who know the enemy first hand, and who are our greatest potential allies in the fight for freedom.

Since our return to the United States last May, most of the pastors and dissidents we invited to the American Embassy and Residence of the Ambassador have been jailed, killed, kicked out of the country, or have disappeared. The pastor of one church we attended in Bucharest was recently severely injured in an apparent murder attempt by the communist authorities. Must we be blind to all this? Thousands of people in Romania and from Romania and other countries around the world want us to truly represent our principles and values (reflected by the freedom of speech in this representative body of Congress). We owe it to them and to ourselves and what we have always stood for, to do what is right in this case: no MFN for Romania under present circumstances, but America's interests and those of Romania's people desiring freedom must come first. Thank you for this opportunity.

Chairman GIBBONS. Mr. Gati.

STATEMENT OF CHARLES GATI, PROFESSOR OF POLITICAL SCIENCE, UNION COLLEGE, SCHENECTADY, NY, ALSO VISITING PROFESSOR OF POLITICAL SCIENCE, COLUMBIA UNIVERSITY

Mr. GATI. Mr. Chairman, I testify before your subcommittee as a student of American policy toward the Communist regimes of Eastern Europe. My position with respect to the issues at hand is that the national interest of the United States would be served by the extension of Romania's most-favored-nation tariff status for another year.

I concede that there is something to be said for the opinion of those who would deny MFN status to Romania. Romania is one of the worst police states in Europe. Its dictator, President Nicolae Ceausescu, appears to share power only with members of his family. Religious freedom is all but nonexistent. No one enjoys political rights, least of all that country's large Hungarian minority. Citizens are required to register even their typewriters with the authorities, an unparalleled act of oppression aimed at discouraging the circulation of unapproved manuscripts. Emigration is often denied; when granted for ethnic Germans, it is often an expensive privilege.

On the other hand, however, please recall that when the United States extended MFN status to Romania in 1975, it did not do so because the Bucharest regime was a democracy or even moving toward it. Instead the United States was guided by considerations of self interest. Our purpose was to compete with the Soviet Union for influence in Eastern Europe, peacefully but vigorously. We sought to encourage expressions of national interests by countries of the Warsaw Pact, much as the Soviet Union has always sought to do in NATO.

For two decades, Romania has pursued its national interest by taking its distance from some—certainly not all—of Moscow's least justifiable policies and positions. It refused to participate in the Soviet-led military intervention in Czechoslovakia in 1986, and it has been critical of the Soviet invasion of Afghanistan. It allows no Warsaw Pact military maneuvers on Romanian soil. Alone in the Warsaw Pact, Romania took part in the 1984 Los Angeles Olympics, and it has maintained cordial relations both with Israel and with China, unlike all other members of the Warsaw Pact. Indeed, during the visit to China last fall, Mr. Ceausescu agreed to open a Chinese consulate in Constanta, a Black Sea town well situated to observe the Soviet Navy's activities. As a matter of fact, ships of our own 6th Fleet have visited there since 1968 and their next visit is scheduled to take place this coming Friday.

Thus, the important thing to remember here, Mr. Chairman, is that the same conditions which prompted us to grant MFN status in 1975 obtain today as well. Romania has not changed since then. What is taking place instead is that a number of Americans have grown impatient with our modest accomplishments. They appear to forget that the United States has played a role in enhancing Romania's ability to remain the maverick of the Soviet bloc it has been since the mid-1960's. MFN was, and remains, a tool by which we can take advantage of polycentric tendencies and existing disarray in the Soviet bloc.

A few of the politically least astute human rights advocates want to deny MFN to Romania because of the harshness of Mr. Ceausescu's dictatorial rule. I think there is something both appealing and naive about their position. Appealing is their goal of wanting to improve conditions for the Romanian people. Naive is their belief that the United States can effectively realize the goal by relinquishing the only leverage we have.

Equally perplexing is the view held by those at the other end of our political spectrum who seem to deny serious differences among Communist states. This view is perplexing against the background of the Soviet-Yugoslav and Sino-Soviet rifts. After all, it is important to keep in mind that the American people have no trouble understanding such differences among Communists. Please recall the tumultuous welcome they gave to the Romanian and Chinese athletes who defied the Soviet boycott and participated in the 1984 Olympic games in Los Angeles.

Mr. Chairman, given the Soviet Union's positional advantage in Eastern Europe, the United States can only pursue limited objectives in that part of the world. Realistically our goal for now has to be the encouragement of a measure of independence for the regimes and a measure of freedom for the people of Eastern Europe. As Vice President George Bush defined U.S. policy of the past 25 years, in a statement made 2½ years ago or so, it signifies "closer political, economic and cultural relations with those countries, such as Hungary and Romania, which assert greater openness or independence."

It seems to me self evident, Mr. Chairman, that in our dealings with Eastern Europe in general and Romania in particular, achieving something is infinitely more than seeking everything and getting nothing.

Thank you.

Mr. **Crane**. Thank you for your testimony.

Mr. Birnbaum.

STATEMENT OF JACOB BIRNBAUM, NATIONAL DIRECTOR, CENTER FOR RUSSIAN AND EAST EUROPEAN JEWRY

Mr. **Birnbaum**. Thank you, Mr. Chairman.

I represent a number of younger Jewish organizations, set up in recent years, mainly in connection with the public campaigns to release Soviet Jews. These include my own organization, the Center for Russian and East European Jewry, the Union of Councils for Soviet Jews, the Student Struggle for Soviet Jewry and a considerable number of younger Rabbis across the Jewish religious board.

I have been involved in East European matters for just 40 years, when I began to work with East European Nazi and Soviet labor camp survivors in 1946. Today we heard the perpetuation of faded myths of the aging Jewish community and the small number of Jews in Romania, and I will deal with this a little later in the proceedings.

My main thesis today is that real congressional and administration pressures will win the day with the Romanians. We shall have to alter the balance in terms of carrot and stick. We have had a lot of carrot, I think we need a little more stick. They often do not take us too seriously. When, however, they see we mean business, we get results. Here are a number of examples:

In 1973 and 1974, and 1972 indeed, there was a sudden up-rush of Jewish emigration out of Romania. This coincided with the time when Jackson-Vanik was being discussed extensively in the Congress, and 1974 was the peak year. In those peak years, approximately 34,000 Jews were leaving Romania annually. As a matter of fact, the then-chairman of the Conference of Presidents of Major Jewish Organizations at the first hearings in 1975, Rabbi Israel Miller said, "Oh, only 4,000? We were promised 10,000." So even the 4,000 figure isn't so impressive. Immediately Romanians received MFN in 1975, the figure was halved to 2,000. In 1976, approximately the same figure. Then it was halved again in the succeeding years to about 1,000 up to and including 1981.

In 1979, we had developed a major Congressional campaign, and the Romanians created a diversion. A couple of Jewish leaders met with the then Romanian Ambassador, I think it was Bogdan, and they drew up something called a memorandum of understanding, heads of agreement. The emigration figures thereafter not only didn't improve, that very year, 1979, Jewish emigration was the lowest ever—976, with even less in 1981—973.

By 1982, following a major campaign in the Congress and in the White House, the President put out a very strong statement, and the Trade Subcommittees of both congressional chambers wrote to the Romanians, insisting that they get firm written commitments from the Romanians that they would improve emigration procedures.

They received this within a few days from the Romanian Ambassador as did a number of other major figures involved in this area. And there was a slight improvement of the position, certainly for a time. This showed again what strong pressure can do.

Then in 1983, when we had the question of the education tax, Secretary of State Shultz made it unequivocally clear the United States would not tolerate the education tax, and it was suspended after a few months. Emigration to Israel rose immediately, very substantially. Thus, in 1984, we had figures of almost 2,000 emigrants again. By 1985, the pressure was off, and Jewish emigration plummeted to 1,322. The first 5 months of this year, emigration was only 405. That is an average of 81 a month. In fact, only 88 new passports were issued in May, and the way it looks now, it will be under the thousand range for 1986, which is again an unacceptable figure.

Let me give you one or two other figures. In 1985, 1,710 approvals were given by the Romanian Government to Jews wishing to leave, plus 281 still left over from previous years. That is a total of 1,991 for the year 1985. This by itself suggests that the annual thousand which we have been getting ourselves so easily accustomed to is ridiculous. There is a minimum of 2,000 people waiting at any one time.

We have not talked about the people who haven't been able to get their "short form" application; we are talking only of people who have actually summoned up the courage and managed to get themselves officially registered for application. In previous years—I don't see why it should be any different this year—we always made a minimum estimate of 2,500 people actually registered to leave.

Our sense is that with a little bit of Government easement, the number of Jews that would apply to leave would be 4,000 to 5,000 a year. I don't have any doubts about that.

Let us now deal with the question of the number of Jews in Romania. We constantly hear this figure of 25,000 old Jews, two-thirds of them who are over 60. My 40-year experience in East Europe is that there is always a large number of people who are not registered with the official Jewish community, and if we speak about 25,000 mostly older people who registered with the community for welfare purposes, we could easily speak about another 20,000 who are not registered, who also are younger.

As it happens I have the official Jewish census figures from 1983 which show that the number of Jews over 60 is some 50 percent. That means some 50 percent of Jews under 60. Yet as others said earlier this morning, not only younger Jews want to leave.

Let me conclude with two ideas. Ceausescu is now in his 69th year, I believe, and he has been very unwell for at least a couple years, as I remember. Whether it is a matter of a year, or 3 years, nobody knows how long he is going to be able to hold control. We know that Romania is a heavily anti-Semitic society. What I am concerned about is this. What is going to happen once he loses a grip on power? There will be at least an interregnum, chaos can ensue. My experience with East European Jewry is when there is chaos, the Jews are the first people to be in trouble.

We could have a new dictator, but I think we should also consider the probability, one way or another, that the Soviets will move in, and we know what that means. I would suggest that in view of the insecure position of the Jewish community in Romania, we have a duty to get them out in the next few years, have them evacuated, call it what you like, in the next few years because I personally wouldn't want to take the chance and say, well, you know, it didn't happen, you were wrong. My many years of experience in that part of the world makes me think that we shouldn't take a chance here.

As I said at the beginning, the essence, it seems to me, of our getting results from Romania is that the Romanians should feel that we are seriously on their backs on an all-year-round basis. This has not been happening in recent years. For example, this committee didn't meet for a couple years. The Senate Trade Subcommittee met last year, for example, 3 days before the recess. There is no possibility of leverage if the chairman rarely goes to Romania, or meets with the Ambassador maybe a week before the hearings. Our leverage should be exercised on a year-round basis. The chairman should be meeting with Romanian officials on a year-round basis.

Last year, I persuaded 11 Senators to sign a letter to Chairman Danforth of the Trade Subcommittee of the Senate Finance Committee, suggesting that a special congressional unit composed of representatives of the Trade Committees, of the Foreign Affairs, and the Helsinki Commission should be established, and this unit should meet with Romanian officials every 2 months discussing the details of our different problems and then report back to the chairman of their respective committees, and that there should be a process of consultation with each chairman on an all-year-round basis.

Thank you, Mr. Chairman.

Mr. CRANE. Thank you.

[The prepared statement follows:]

STATEMENT BY JACOB BIRNBAUM, NATIONAL DIRECTOR, CENTER FOR RUSSIAN & EAST EUROPEAN JEWRY, BEFORE THE TRADE SUBCOMMITTEE OF THE HOUSE WAYS AND MEANS COMMITTEE, TUESDAY, JUNE10, 1986

This is the twelfth year since congress began to hold hearings on the President's recommendation to extend a waiver to Romania and othersof the Jackson- Vanik Freedom of Emigration provision (#402).We welcome the Committee's resumption of hearings after a two year lapse.

ADVOCATE QUARTERLY MONITORING OF ROM.HUMAN RIGHTS BY CONGRESSIONAL UNIT.

WE HAVE ALWAYS FELT THAT NEITHER ADMINISTRATION NOR CONGRESS HAVE MADE FULL USE OF THE LEVERAGE INHERENT IN THE JACKSON-VANIK AMENDMENT.In his his last statement on the matter, the late Sen. Henry Jackson underlined the crucial importance of the Trade Committees'consistent year-round monitoring of Romania's human rights performance. With this in mind, Sen. Armstrong(Sept.15,1985) and Sens. D'Amato, Symms, Nickles, Grassley, McClure,Pressler,Humphry, Durenberger,Trible,Wallop(Nov.18,1985) wrote Sen.Danforth,Chmn., Int'l Trade Subcommittee,suggesting that'a small team of representatives of the Trade Committee,Foreign Relations Committee Helsinki Commission, should meet bimonthly with Romanian officials and report back to the Committee Chairmen.No action has yet been taken.

ROMANIAN EMIGRATION TO W.GERMANY, U.S. RISES; TO ISRAEL FALLS.

Following our numerous campaigns, the Romanians were forced to somewhat modify emigration procedures and harassment,notably after 1982, but the basic process has changed little. The annual rate of emigration to West Germany and th U.S. has however increased very substantially during recent years. The reverse is true of Israel . After an initial spurt in the early 1970s before Romania received MFN(approx.4,000 in 1973 and 1974), with the grant of MFN , the annual Jewish outflow was halved(2,000 in 1975,1976) and,in subsequent years, was halved again to some 1,000. With Bucharest's need to improve its image after the imposition of the Education Tax,emigration reached almost 2,000 in 1984. By 1985 outside pressure had diminished and the figure tumbled to 1332. During the first five months of 1986 only 405 Romanian Jews reached Israel, with no more than 88 new'approvals'

ROMANIAN JEWISH ~~APPLICATION~~ EMIGRATION DECLINE NOT DUE TO POPULATION AGING.

The usual Romanian explanation is the shrinkage of Jewish population due to aging.Even according to their official figures, some 50% are under 60. As elsewhere in East Europe, the actual Jewish population is considerably larger than the official 25,000. Support of this well-known fact can be derived from a study of the number of Romanian Jews arriving in Israel. In the past, we have found that some 40-60% had not registered with Rom. Jewish communal offices. Over the years, the Romanian authorities have clearly demonstrated their tight control of emigration to the U.S., West Germany asnd Israelas well their flexibility when it suits them e.g.RISE Israel 1984, 60%+; U.S.,1980, almost 100%; W.Germany,1980, 60%+.

IMMEDIATE ANNUAL JEWISH EMIGRATION POTENTIAL IS2,000,RISING to 5,000.

It is no secret that there are still many Jews afraid to apply to leave and we have not received the figures of those who have managed to register for emigration with the authorities. We do know that 1710 Jews recived 'approvals' for Israel in 1986 (1985), plus 281 left from before 1985, a total of 1991 eligible to leave. We can be sure that the number of applications must be considerably larger. In the past our estimates of those registered at any period was not less than 2,500. Even the 1,9991 figure suggests a major emigration drive among Romanian Jews. Clearly, a current emigration potential of 2,000 could quickly accelerate to 4-5,000 a year. The bulk of Romanian Jewry could surely be evacuated within a decade.

WHAT WILL HAPPEN AFTER THE PASSING OF ROMANIAN PRESIDENT CEAUSESCU ?

We would rather not wait to take the chance of finding out what might happen in an anti-semitic society like Romania if chaos ensues, the Soviets intervene, a new dictator arises. The emigration process should be accelerated as soon as possible. Ceausescu is at least 68 and in failin health.

Mr. CRANE. And now Ms. Pilon.

STATEMENT OF JULIANA GERAN PILON, PH.D, SENIOR POLICY ANALYST, THE HERITAGE FOUNDATION

Ms. PILON. Thank you, Congressman Crane.

I would like to start by commending you, as well as Mr. Schulze, the Congressmen we had here this morning, Senator Trible; I think the people in Romania who may hear about what happened today from Radio Free Europe, Voice of America, are eternally grateful to you.

A recently smuggled out document by Matei Botez, a mathematician from Romania, indicates that he feels a great number of Romanian people believe that most-favored-nation status accorded to Romania is a way of legitimatizing, legitimization of the Ceausescu regime. I wish they were here to testify.

I also know many Romanians in this country who still have relatives in Romania who are afraid to testify. It seems to me that the suggestion made earlier by some people that the idea that denying MFN to Romania is in some way naive is precisely the opposite of the truth.

As you suggested, Congressman Crane, as Senator Trible suggested, it is naive indeed to think gestures of independence from Romania are made entirely without consultation with Moscow on occasion, perhaps not always. It seems to me highly reprehensible for the United States to help legitimatize in any way the regime of Ceausescu, which is well known for total suppression of religious liberty, a Stalinist "cult of personality" that allows no room for dissent, systematically destroys the nation's historic and religious heritage, and permits no free trade unions, having brutally suppressed the Jiu Valley strike in 1977, and incarcerates political dissidents in psychiatric hospitals.

In addition, Romania's disastrous economic policies have led to widespread starvation and virtual bankruptcy of an entire nation. When babies die in incubators whose power is turned off to save energy, when old people who suffer a stroke are turned back from hospitals citing a policy to treat no one over 75 and then pensioners are destined to be moved out of the cities then kept from moving in, it is clear that respect by that regime for human life has reached a new low, as has been indicated by Ambassador Funderburk, by others, and testimony that will come out later.

The situation has worsened. It is time to help the Romanian people by denying MFN status to a regime that is terrorizing them, a regime that is rapidly gaining the contempt of the world. The Communists call it the sick man of Europe. In fact, the United States should enforce Public Law 99-83, section 505, which bans importation of goods and services from countries supporting terrorism—this is in addition to withholding MFN.

Examples of Romania's involvement in terrorism abound. Parcel bombs were sent to Romanian exiles in Paris and Cologne, notably in 1981, Paul Goma, the dissident exiled Romanian writer, was targeted for assassination in 1982, as revealed in detail by his would-be assassin, Matei Haiducu; Radio Free Europe employee, Monica Lovinescu, was severely beaten in 1976 by PLO thugs returning favors to Ceausescu. Further light on the deaths of two other RFE employees, Noel Bernard and Emil Georgescu, will be revealed in the forthcoming book by Gen. Ion Pacepa, former deputy director of the Romanian secret service, the CIE. General Pacepa will also expose extensively the relationship between Ceausescu and the PLO, as well as the circumstances of a mysterious car accident that was meant to kill a witness who appears before this committee today, Mr. Laszlo Hamos.

The only other leader who approaches Ceausescu's vindictiveness and resorts to terrorism against his critics abroad is Libya's Qadhafi, Ceausescu's ally and friend. Romania exported almost a quarter of a billion dollars' worth of weapons to Libya in 1982 alone, the year just prior to the signing of the Romanian-Libyan Friendship Treaty in 1983.

It is noteworthy, too, that according to the surviving terrorist at the Rome Airport massacre this past December, who is a member of the Abu Nidal group, the terrorists who had attacked the Vienna Airport on the same day had received help from Bucharest, where they had been flown just prior to their Vienna attack. Is it any wonder that Romanian authorities were blamed in the deaths of at least seven Roman Catholic, Pentecostal, and Baptist clergymen in recent years, according to the Wall Street Journal? Terrorism is the name of the game played by the Ceausescu regime.

Widespread espionage directed against the West is another aspect of it. Seventy percent of Romanian trade personnel abroad are reportedly intelligence officers. And drug trafficking on a large scale, organized with other Soviet bloc nations, further adds millions of dollars to Ceausescu's personal Swiss bank account, this according to General Pacepa.

May I say I talked to one CIA Romanian expert, who I am sure would be willing to testify before you perhaps in closed chamber off the record, who told me that he has looked over Mr. Pacepa's testimony, he has read all of his published accounts, and finds no discrepancy of a factual basis in anything that he has written or said.

It is time for the United States to stop hoping against hope that extension of MFN helps further the cause of human rights in Romania. Freedom of emigration, as well as other civil and political liberties, should continue to be demanded of the Ceausescu regime, in line with the Helsinki accords and other international agreements to which Romania is a party. But the Ceausescu regime should be denied the hard currency and the symbolic legitimacy provided by extension of MFN.

Thank you very much.

Chairman **Gibbons**. Thank you, ma'am.

Mr. Crane.

Mr. **Crane**. Thank you. I, too, want to express appreciation to these witnesses for their testimony. I would like to ask you first, Mr. Birnbaum, if you are familiar with the Conference of Presidents of the Major American Jewish Organizations represented here earlier by Mr. Eisenberg?

Mr. **Birnbaum**. Yes, sir.

Mr. **Crane**. Also, if you are familiar with the National Executive Council of the American Jewish Committee represented by Mr. Moses and his testimony earlier?

Mr. BIRNBAUM. Yes.

Mr. CRANE. Do they consult with you ever at the center for input on Jewish emigration and issues of persecution of Jews in Romania?

Mr. BIRNBAUM. That is a somewhat complex question. Usually, at this time of the year, the Conference of Presidents is in a state of transition with a new president and/or the old president or the new president are out of the country on official business. They hear about it at the last moment, and whoever happens to be in Washington comes forward and speaks on behalf of the Conference of Presidents.

I am going to try to alter that. I have developed some very good relationships with the Conference of Presidents these past months. Unfortunately, when I first heard about this hearing, very late, it was literally the day before the conference president left the country. And so I wasn't able to achieve much. I hope to be able to speak to him when he comes back in a couple weeks' time to take a somewhat more decisive action.

I doubt if they are going to change their minds on the question of most-favored-nation status, but I think I can strengthen them in their approach to the Romanian situation, which up until now has brought nothing at all. Messrs. Moses and Spitzer report on their visit to Romania and how they spoke to Ceausescu, but we see no results from those visits. Results only occur when we really make an effort in Washington to develop major pressure on Bucharest. I documented some of these earlier, and I am prepared to document them in greater detail.

Mr. CRANE. Well, I commend you for that, and I would only urge you to make the initiative yourself to communicate to them, because, based upon your testimony, I think certainly you at the center and the focus and emphasis of your studies provide probably a better insight into, and understanding, into that question than was presented either by Mr. Moses or Mr. Eisenberg when they testified earlier.

Let me ask you a question based upon the testimony by Mr. Gati. He had a quotation in there from Vice President Bush where Vice President Bush defined U.S. policy in the past 25 years as signifying closer political, economic, and cultural relations with those countries, such as Hungary and Romania, which assert openness or independence.

Now, based upon the concerns, and I think the very proper concerns you express about when Ceausescu is gone, who is apt to succeed him, do you think that there is any remote possibility that with Ceausescu's demise, which hopefully will come sooner than later, that we might anticipate a movement in the direction of the free world, such as Budapest made in 1956? Is that a possibility?

Mr. BIRNBAUM. Are you suggesting that Moscow might move into Bucharest——

Mr. CRANE. No, I am saying in the event Ceausescu were succeeded by someone who pursued these policies that apparently we are promoting, according to Vice President Bush, that are guaranteeing greater openness and independence in Romania, is it not a possibility that Ceausescu's successor would conform to that assessment by Vice President Bush and, thus, achieve a degree of independence much greater than anything that we have seen to date?

Mr. BIRNBAUM. I wouldn't think so.

Mr. CRANE. I don't either. But I don't see this independence that Vice President Bush has talked about, and we already know what the Soviet Union did in response to an effort to pursue a degree of independence back in 1956, and we saw it with regard to Prague in 1968—I think it is an absolute total fiction for anyone to attempt to suggest Romania's independence of total control by the Soviet Union any time they want to assert that, and that even Mr. Ceausescu can't delude himself about that.

Mr. BIRNBAUM. There is a limited amount of independence in some areas. Obviously, in the areas of intelligence, for example, clearly there is none. And I think that we have a major argument here in favor of a firm line, that Ceausescu needs the United States politically as a balance to Moscow.

Mr. CRANE. Do you think Mr. Ceausescu honestly believes that we would intervene in behalf of Romanian independence if the Soviets launched a major——

Mr. BIRNBAUM. I am not suggesting that. What I am suggesting is that with all of the maneuvering, he is very anxious for Western help in every way, including the limited sense of political independence which he has by playing Washington against Moscow.

Mr. CRANE. Don't you think that serves Moscow's interest more than Washington's?

Mr. BIRNBAUM. No.

Mr. CRANE. I mean that degree of seeming independence of total control and domination by Moscow, is it not conceivable that that is a charade that is instigated and promoted by Moscow for its own self-serving reasons to delude——

Mr. BIRNBAUM. There is an argument about that. I think the Soviets use the Romanians very heavily in many areas. I would agree with that. A former Romanian ambassador now living in Canada, who had defected, told me that the Soviet bloc ambassadors met in Washington every week or so under Soviet direction, and the Romanian ambassador was there too.

However, I still think that Ceausescu is a bit of a maverick, but I don't think we should give him so much credit for it.

Mr. CRANE. The reason I raise that point is Mr. Pacepa, who apparently has not been interviewed by our Commerce Department, said that Ceausescu serves as a conduit for the transmission of embargoed Western technology, and this is a point Ambassador Funderburk raised, and I am at a loss to understand why, when that is the case, that we have departments of government that are intimately associated with policy vis-a-vis Romania being uninformed of the debriefings that were conducted with Mr. Pacepa.

Mr. BIRNBAUM. Yes.

Mr. CRANE. He also notes that under Yuri Andropov, now under Mikhail Gorbachev, Ceausescu has resumed closer ties with Moscow.

Mr. BIRNBAUM. I think that is within the framework of what I am saying. I think Ceausescu is deeply afraid of letting Moscow get too powerful in Romania, despite the fact there is much evidence shows Moscow has a heavy influence within Romania.

Mr. CRANE. I think he might be afraid, and probably properly so, but I don't think that he really believes himself if he steps too far out of line, considering the common border.

Let me turn to Dr. Gati, if I may. You note in the first page of your testimony that emigration is often denied from Romania.

Mr. GATI. Correct.

Mr. CRANE. The reason I ask that is that is a clear violation of the Jackson-Vanik legislation and is a basis—in fact, if we observe Jackson-Vanik, which clearly we are not observing—would be the basis for cutting most-favored-nation status off. In fact, I think there is a fragile authority that exists here, and to invoke the name of Jackson-Vanik as the basis for making trade concessions to Romania is a shame. Is that not correct?

Mr. GATI. There are several issues here. In part, I do agree with you, not with your conclusion, but with your analysis. The Jackson-Vanik amendment discusses or treats American foreign policy in terms of one factor, human rights.

Mr. CRANE. Not human rights, emigration.

Mr. GATI. Emigration, an even narrower focus. You know better than I that American foreign policy has never been made on the basis of one consideration or one consideration alone. The result of the amendment has been, and this is where I think I agree with you, that officials of the U.S. Government operating under the Jackson-Vanik amendment has had to color, and here I do agree with Ambassador Funderburk as well, they have had to color their judgment about certain tendencies in some countries, such as Romania.

In some ways I regret this very much because I do believe that, certainly totally inadvertently, the Jackson-Vanik amendment has corrupted our discourse on foreign policy. It has made our officials color their statements, including statements made before this committee.

Now, having considered this point, Congressman Crane, I do have to raise another question. The other question is whether the national interest of the United States is or is not served by a singular focus on the emigration policies of Romania.

It seems to me, as I tried to make clear in my statement, that the issue is a geopolitical one. The geopolitical issue is whether we are willing to compete with the Soviet Union vigorously and peacefully in Eastern Europe much as the Soviet Union is doing with us in Western Europe. I believe that is the meaning of the policy of differentiation that this country under different names has pursued since the early 1960's, learning the lesson precisely of 1956 to which you referred earlier in your comments.

Mr. CRANE. If you will yield just a second, are you suggesting that the Brezhnev doctrine is dead in the eyes of the Eastern European countries or is there even a remote possibility of the Brezhnev doctrine doing, as long as those people in Moscow are still in control?

Mr. GATI. I don't have the slightest illusion that the Brezhnev or the Krushchev doctrine before that remains operational and that if a regime goes too far in seeking either liberty at home or total independence abroad, the Soviet Union will do what is necessary in its eyes to overthrow that kind of regime.

Mr. CRANE. Well then, do you share Mr. Pacepa's assessment of Ceausescu serving as a conduit for transmission of embargoed Western technology to Moscow?

Mr. GATI. Well, I listened to Ambassador Funderburk here as well referring to classified information. I am just a professor, I have no access to classified information. I cannot confirm or deny that the Romanian regime transmits information. In the public evidence—this is not done.

May I make one comment about Mr. Pacepa, if I may. I don't have the references here in front of me, I apologize for that. I didn't know Pacepa would come up here as part of our discussion, but as I recall—this I do from memory—when he defected in 1978—again, I am speaking from memory, Congressman Crane—he was speaking of Mr. Ceausescu as a man with whom he had disagreements, but who was trying to gain a measure of independence for Romania. I must say I have been flabbergasted to read his reinterpretations of what he had experienced. But again, I speak from memory and I apologize for that.

Mr. CRANE. Well, based upon the fact that, Ambassador Funderburk noted there is classified material that is available to this committee and to Members of Congress, that should be examined in light of this whole debate, I think that there is a case to be made that Mr. Pacepa is most emphatically telling the truth now, regardless of what he may have said when he originally defected.

How about the question of Romania receiving and harboring terrorists, promoting terrorism worldwide, contributing in acts of world terrorism. What does your research show?

Mr. GATI. My research shows that the Romanian policy toward the Third World, and particularly toward the Arab world, is not identical with our policies. Certainly I am not very happy about Mr. Ceausescu's recent support for Arafat and the PLO's more radical position, more radical than Hussein's. I don't know of Romania actually training terrorists as such. We have had our problems with Yugoslavia, as you know very well. Comparable problems could exist with Romania as well. I have no illusions about these things.

But I would like to point out that if you look for an identity of views and perspectives between Romania and the United States in order to grant most favored nation to Romania, then I don't think you can reach the conclusion that I have reached. Namely; that it should be extended grudgingly, very grudgingly, but should be extended nonetheless. If that is what you are looking for, Congressman, you won't find it.

On the other hand, Romania remains a maverick in the Warsaw Pact. It has not been mentioned here that its whole defense structure is built against the possibility of a Soviet invasion rather than preparing for war against the West.

This is a country also that has invited and received the chairman of the U.S Joint Chiefs of Staff. This is a country that for years has received visits by the U.S. 6th Fleet in the Black Sea port of Constanta. I believe those are considerations that we should take into account without deluding ourselves about the kind of regime that this is.

Mr. **Crane**. The reason I asked you the question about the participation in terrorism is because of your testimony on page 3 where you indicated that those who want to do something about most favored nation are naive in their belief that the United States can effectively realize this goal by relinquishing the only leverage we have. That is far from being the only leverage we have.

The International Security and Development Act of 1985, for example, gives the President the authority to ban the importation into the United States of any goods or services from any country which supports or harbors terrorist organizations and the fact of the matter is the Defense Department Commission—and this was reported in the New York Times in June of 1984, investigating the bombings of the Marine Corps in Beirut—that six East European governments were supportive of that effort, including Romania, and our own State Department subsequently advised them that improved relations with the U.S.S.R. contingent upon their willingness to cease aiding and abetting terrorists.

Now they are in serious economic trouble with the fall in the oil prices, reevaluations of currency and so forth, the U.S. Commerce Department has indicated that they very well may seek to contact all of those people that have lent them money that would run from the commercial banks in the United States, IMF loans, World Bank loans, Eximbank loans, Commodity Credit Corporation loans, that they may ask to be relieved of having to service any of the principal of those loans in 1986.

So even a modest cutback in their access to the export market—it is not modest with us, it is estimated to run $1½ billion this year—could put them in a very very awkward position with regard to servicing international obligations.

That is the kind of leverage, we have laws on the books addressing this. It is the kind of leverage, it seems to me, that would get their attention a lot more quickly than just cutting off most favored nation.

Mr. **Gati**. Congressman, I concede the rhetorical point here about the word "only". MFN is, I think, an important leverage that we have. That is what I meant.

As to other points that you have made, I am in agreement with you that these are other important levers as well. I hope we use them effectively. I must also add, though, that historically speaking, economic boycotts have not worked particularly well in international politics. You know as well as I do. If all the countries in the world—a big if—could unite, to isolate a country and force it to change its policies, that would be a different story. But in the real world, where our allies unfortunately seldom go along with this type of policy that we might recommend—I am not sure that this country would recommend such a thing, but even if we were to recommend it, it is unlikely they would go along.

In the absence of such a united stance, I wonder what we could accomplish on our own. I don't have much faith in the power of economic leverage. It has not worked particularly well over the decades. When applied by one country, it has never worked.

Mr. **Crane**. Well, except if you are teetering on the brink of default on obligations, which is apparently the condition of Romania this year, a billion dollar loss or a billion and a half dollar loss in the market, even if we don't get cooperation from anybody else, I think would be a very substantial impact on so fragile an economy.

Let me turn to Ms. Pilon's testimony. This has to do again with involving this International Security and Development Act of 1985.

What in your assessment would be the impact if we banned importation of any goods or services for Romania this year?

Ms. PILON. It seems to me it would have a very strong impact on Romania. It is conceivable that the Ceausescu regime would use it against us to say, well, you see, the reason you people are starving is that we do not have most favored nation from the United States. To counter that argument, one might point out that in the same document I cited earlier, which was smuggled out, one argument that is currently made by the Mr. Ceausescu to his ailing and repressed people is that Romania's economic problems are due in part to the fact that it has to pay to the United States all this money for the things that it has to buy from the United States.

In a way, we may not be losing very much, but I think the Romanian people would understand—and that is the positive effect—that we are sending a signal to the person who is exploiting them at the moment.

Mr. CRANE. With their massive exports of petroleum products to the United States in 1983 and exceeded that in 1984, could not the people of Bucharest who froze to death in the terrible winter of 1985 said this is directly because of most favored nation and the temptation of this Government to export everything out of the country to pick up foreign exchange rather than taking care of the domestic problems?

Ms. PILON. That is a very good point. Moreover, it would seem to me that the people in Texas and Louisiana might not mind so much if perhaps we imported some oil from there.

Mr. CRANE. I quite agree.

Let me quickly just ask Ambassador Funderburk a few questions. One of these has to do with the acknowledgement by Mr. Eisenberg and Mr. Moses earlier of something that is not a very well kept secret, it seems to me, and that is, this per capita price that the State of Israel and the Republic of Germany are paying for those Romanians permitted to export or to emigrate rather, to their countries.

By my calculations, last year, this would have amounted to about $140 million. Where is that money going? Have you heard any word as to where that money goes? I have heard it suggested that Mr. Ceausescu has his own Swiss bank account literally.

Mr. FUNDERBURK. Well, I have heard that and I know Pacepa has mentioned the same thing—much of this money has gone into that Swiss bank account. But I don't know for sure.

Mr. CRANE. He might be able to make Marcos look like a piker. It would be interesting if the Swiss banks, as they now set the precedent of doing, with Mr. Marcos, would also reveal the size of Mr. Ceausescu's bank account if in fact he is taking that kind of blood money and depositing it in his own name.

Are there any Romanian Government connections that you are aware of between radical Arab terrorist activities.

Mr. FUNDERBURK. Yes, there is classified information that shows the Romanian Government has allowed one of the most prominent international terrorists to use Romania as a safe haven and Romania also outside of Bucharest, according to a lot of documents that are also available, has a large number of Arab radical terrorists who are training. There are a lot of ways in which Romania, in my view, serves as a surrogate and a go between for the Soviets where Romania has greater entree than the Soviets, and in this sense, what I am saying is there are foreign policy actions that are often carried out together.

To give you examples:

In one Middle Eastern country, the Soviets were kicked out and that country needed new tanks to replace the old Soviet tanks and new parts for those and Romania supplied the Soviet made Soviet style tanks by the hundreds to this Middle Eastern country.

Romania also sends workers to places like Libya to help Qadhafi in various activities. Of course, part of the joint Romania-Soviet economic and energy cooperation now involves Romanian workers going to the Soviet Union to help in the development of the gas pipeline.

But there is a lot of involvement in terms of Romania assisting radical Arab countries in terms of terrorist activities. Also in drug dealings.

Mr. CRANE. Mr. Chairman, maybe it is not feasible, but before we make an absolute decision as to what to do on this, is there any possibility of an executive meeting with representatives from the CIA, Defense Intelligence Agency on some of those questions?

Chairman GIBBONS. Sure.

Mr. CRANE. Is there any evidence of technology transfers? Mr. Pacepa has indicated embargoed Western technology to the Soviet Union. Are they in fact serving as a conduit?

Mr. FUNDERBURK. When they are asked to do so they do so serve as a conduit. The evidence shows that and the example you gave earlier today, that Pacepa mentioned, are accurate and there are many more in addition to those examples which again classified information shows, which in a few cases Soviet Union specifically asked Romania to acquire certain sensitive technologies in the West. Romania acquired it and passed it on to the Soviets, as of course anyone should know, whether they are in government or not, after all, Romania has signed a treaty with the Soviet Government and is obligated by that treaty to pass such technology to any other Warsaw Pact country, so this shouldn't come as a surprise to anyone, but it is a fact.

Mr. CRANE. Would the loss of most-favored-nation status to Romania damage United States-Romania trade relations in your estimation?

Mr. FUNDERBURK. I don't know that it would. I know that the Romanians need this in my view, far more than we do, instead of the other way around. Our policies operate on the basis that we are the ones desperate for this relationship of most favored nation and the fact of the matter is we could have a great deal more leverage if we realized they are desperate to maintain this relationship and I think they would try to continue to trade in whatever form they can.

Much of their trade anyway goes through third countries. I believe that our most-favored-nation related aid to Romania helps the

Soviets because if we weren't giving this to Romania, if Romania was not getting it from us, this might mean more aid that they would have to send to Romania to help prop it up.

Mr. CRANE. Well, it just seems to me that when we have legislation on the books, in the International Security and Development Act, that could be used as leverage for negotiations, there is no point in giving them most favored nation. The basis for continuing trade relations with them is potentially in jeopardy any time the President wants to invoke that act, to cut off total trade to them and for those reasons, it just seems to me that we are making an unnecessary concession, it is a giveaway.

Frankly, if I had my way, I would cut off any U.S. credit to them as well, but that is beyond the purview of our committee responsibilities.

I just want to thank all of you for your testimony.

Chairman GIBBONS. Mr. Schulze.

Mr. SCHULZE. Thank you, Mr. Chairman.

I, too, would like to thank this panel for their very interesting and cogent testimony.

In the interest of time, I will just ask you one question. That is the question I have been asking. In your opinion, do you think that emigration is better now than it has been and do you see that it is becoming more free and emigration is easier than has been in the past, and that it is freeing up in the future? If you would each respond to that, I would appreciate it.

Mr. FUNDERBURK. If we get anything out of the most-favored-nation relationship, I think the best argument on the part of the U.S. Government is in improved emigration numbers, but this is not nearly to the extent that it is often thought. In fact, it is very minimal. If you exclude emigration to the Federal Republic of Germany, and that to Israel I would say that we could exclude that because this has happened regardless of most favored nation and it has to do with an arrangement made between those countries and on a bilateral basis. So it is not related.

The Federal Republic of Germany has made an agreement with Romania, a secret agreement, whereby they will purchase ethnic Germans from Romania so that is not related. That is the bulk of the emigration coming out of Romania. Israel has a similar relationship. So you have to look at what are the numbers of emigrants to the United States and to other places who aren't paid for by somebody and those numbers are relatively small.

Mr. SCHULZE. Ambassador, the heart of the Jackson-Vanik is that if emigration is continuing to loosen, if people are being given greater opportunities to emigrate, then we should continue most favored nation. I guess that is what I am getting at. Do you see a great loosening?

Mr. FUNDERBURK. No, I don't.

Mr. SCHULZE. I have been involved in this issue for 10 years, and I don't see one little bit of difference than I did 10 years ago.

Mr. FUNDERBURK. I don't see it and I should point out, too, we know many, many cases of people in Romania who were never given an application, who are not allowed to apply for emigration. So what you often talk about in these hearings are those who have applied and been rejected or accepted, but there are many, many more who aren't allowed to go down to the passport application office.

Mr. SCHULZE. I particularly would like to have your experience on site as far as this process of emigration. Do you agree with—were you in the room when the State Department Romanian desk man went through the process of applying and receiving emigration?

Mr. FUNDERBURK. I didn't hear all of that part.

Mr. SCHULZE. OK. In the interest of time we will go to each of the panelists.

Mr. BIRNBAUM. I wish to give perspective to our discussion by mentioning the impact of the 1975 Helsinki Final Act which was signed shortly after the Jackson-Vanik amendment became U.S. law. It caused great excitement throughout the Soviet bloc and was followed by severe repression.

Responding to your question, I would certainly say that the committee hearings in the past 10 years have had an important effect in terms of emigration rates and procedures. The situation would have been far worse without them, but because of the new hopes stirred by the Helsinki Final Act, and by the Jackson-Vanik amendment, the number of people who wanted to leave rose substantially. Hope had begun to stir among these people and applications increased. I am not saying, however, that the situation is substantially better, it, however, continues to be very bad, and every year we have numerous cases.

I would just like to comment on Mr. Funderburk's remarks about Israel. We should not underrate the importance of activity in Washington in relation to Romanian Jewish emigration to Israel. Israel is a kind of hostage, it has got all kinds of political and diplomatic considerations, in relation to Romania, which I don't think we have to be bound by. I have found that whenever we developed a major campaign on the question of Romanian Jewish emigration in Washington, the rate of emigration to Israel has gone up. When pressure in Washington is muted, the rate drops and hovers around the 1,000 mark. Little is known regarding Israel-Romanian financial arrangements, but they do not appear to be a decisive factor.

Mr. SCHULZE. Thank you.

Mr. BIRNBAUM. I want to add that when I was earlier discussing the impact of strong House action, I forgot to mention an occurrence arising from this Trade Subcommittee's meeting in 1979, when we had developed a very strong campaign, I said that a couple of Jewish leaders had negotiated a memorandum of understanding from which nothing, however, came in terms of Jewish emigration. I failed to add, however, a very substantial result in terms of emigration to the United States.

Romanian immigration in 1980, almost doubled because Romania realized the strength of feeling in the House and in the Congress at that point. This is just to complete a piece of testimony which I omitted before.

Mr. SCHULZE. Thank you.

Mr. BIRNBAUM. Thank you very much, Mr. Schulze, for all your help over the years.

Mr. GATI. Congressman Schulze, my best judgment is that there has not been any significant change in Romanian emigration policies since the time most favored nation was granted.

Mr. SCHULZE. Thank you.

Ms. PILON. As we discussed earlier, emigration is not a mere question of absolute numbers. The absolute numbers alone, as we discussed earlier, have not grown very much during these years, and it is hard to know how much they would have grown without most favored nation, so that is a question to ponder upon.

It seems to me if one discusses emigration it must be in terms of how many people would desire to emigrate compared to how many are allowed to emigrate, which is the truly relevant question. It seems to me that during the past years the situation on emigration from Romania has worsened dramatically. There is no question, anyone who has any knowledge of the situation in Romania, whether it is from relatives, from people who write, Radio Free Europe, or organizations that you hear from, all the evidence indicates that desire to emigrate from Romania has grown exponentially.

From that point of view, it seems to me that most favored nation has worsened the emigration situation. It has definitely defeated the human rights concerns to which emigration was supposed to have been a conduit according to the desire of the late Senator Jackson and Congressman Vanik.

So looking at the entire picture, most favored nation has been an unmitigated disaster in the case of Romania.

Mr. SCHULZE. Thank you.

I would like to thank the panel for their testimony.

Chairman GIBBONS. Thank you very much.

The next panel consists of the U.S. Chamber of Commerce, Mr. Rosenthal; PepsiCo, Inc., Mr. Heller; and American Business for International Trade, Mr. Ogden. I am going to ask this panel to be as brief as possible. The Chair has a 5:15 appointment with the prime minister of a Caribbean country, and I need to meet with him.

Mr. Rosenthal.

STATEMENT OF MILTON F. ROSENTHAL, U.S. CHAIRMAN, ROMANIAN-UNITED STATES ECONOMIC COUNCIL, AND FORMER CHAIRMAN AND CHIEF EXECUTIVE OFFICER, ENGELHARD MINERALS & CHEMICALS CORP.

Mr. ROSENTHAL. We will be, I am sure very brief, Mr. Chairman. I have filed a statement for the record, and there is no need for me to repeat it. I would like to add certain comments.

Chairman GIBBONS. All right.

Mr. ROSENTHAL. In the first place, I do not represent the U.S. Chamber of Commerce.

Chairman GIBBONS. All right.

Mr. ROSENTHAL. I am the retired chairman and chief executive of Engelhard Minerals & Chemicals Corp.

Chairman GIBBONS. I remember you. Strike that reference to you as U.S. Chamber of Commerce.

Mr. Rosenthal. And I have been since 1975, the chairman of the Romanian-United States Council and represent through that medium the American Business community in its trade and financial relationships with Romania.

Concerning most-favored-nation trade status, I think it is only appropriate that the business community be heard from because I suspect that it has greater knowledge of this issue than any other components of our American society. We have been talking a good deal here about suspension and termination of most-favored-nation status. I have more than 40 years of intensive experience in international trade. I have traveled the world on a constant basis, and companies which I have headed over a 33-year period of time, have done as much as $28 billion of business. Therefore, I believe that I understand the way in which international trade functions.

I would suggest that, from a practical point of view, the committee eliminate the distinction between suspension and termination, because in practice there is none. You cannot turn trade on and off like a water faucet, it just does not work that way.

Nobody that I know of who is a respectable businessman, is going to sit around twiddling his thumbs and deciding whether or not he is going to do business with Romania 6 months from now, he is going to find new sources for whatever he obtains from them, and he is going to find new outlets for the goods that he would send them. He will not wait to find what Congress is going to determine after a 6-month period of time.

In fact, I have listened to the testimony here of a number of witnesses, and at times they have slipped into usage of the word "termination" when what they were discussing was suspension. They should realize in doing so there is no such thing as suspension, it is termination or nontermination, and I think we should get used to that.

What would be the effect on Romania if most-favored-nation status were withdrawn? I just heard the statement that trade relations between the United States and Romania would not be damaged by the loss of most-favored-nation status. I have never heard anything more ludicrous. It is absolutely contrary to what will in all probability take place. If we withdraw most-favored-nation status from the Romanians, they will withdraw most-favored-nation status from us.

My authority for that is President Ceausescu, who told it to me in words of one syllable on April 29 in his office in his palace in Bucharest. I was there at his invitation to discuss the present situation.

The impact of our withdrawal of most-favored-nation status from Romania would be a growing economic and, therefore, political dependence of Romania on the Communist bloc. This would tend to dismantle their long held strategy of orienting their foreign trade to the West. In fact, if one carefully examines the nature of their trade over the years, one will find that they have directed over a majority of their trade to the West.

And we talked about political independence. This is the source of it. The fact that they are not wholly dependent or majority dependent upon the Soviet bloc for receipt or disposal of their products.

A second result would be that emigration would be sharply reduced or come to a dead halt. You don't have to speculate about this. Let's look at the Russian situation. I was for many years a member, and at the invitation of our country, a founding member of the Board of Directors of the U.S./U.S.S.R. Trade and Economic Council. In 1973, after the visit of Mr. Brezhnev to this country, we witnessed the heigth of the relationship which we called détente and during that period of time, emigration from the Soviet Union progressed to the point of about 50,000 persons a year. What is the situation today? It is practically nil. If we think the same phenomena will not happen in Romania, we are just kidding ourselves.

Third, let's think about the people whose plight we have been considering, the Romanian people. We want rights for them and I will say to you, Mr. Chairman, that there is no segment of the American society that is more anxious to see human rights respected in that country than the American business community. To a man and woman, every one of us that goes there deplores the absence of the enjoyment of those rights which we have come to love in our country. We will do and are doing the maximum that we can in order to achieve an improvement.

But I am terribly afraid that if we were to withdraw what has become the linchpin of Romania's economic foreign trade policy, by withdrawing most-favored-nation status, we would seriously affect the plight of the very people whose situation we are trying to benefit. They would be the people who would suffer as a consequence.

We have talked—there was a statement made that most-favored-nation status has harmed emigration. There are no statistics to justify that statement, none whatsoever. Most-favored-nation status, in fact, has maintained the stream of emigration. People of Jewish faith, for example, can point to the fact that more than 85 percent of the people of Jewish faith, who survived World War II have been allowed legally to exit from that country. Now, if you say to them that most favored nation has not assisted that emigration, they will laugh, because the fact of the matter is it has greatly assisted that emigration.

We have talked about the Romanian people who are supporting Arab terrorists. I would like to remind the committee of one salient fact. There is probably no Arab who is more hated, whose memory is more hated today than Sadat—President Sadat, because he made the compact with Israel in Jerusalem. The person who had the greatest influence in persuading him to go to Jerusalem for that precise purpose is Nicolae Ceausescu. Now, we may not like this man for a lot of reasons, but facts are facts, and I have verified that this is the case with high officials of our Government.

There has been a lot of testimony about technology transfers. Well, to my knowledge the Department of Commerce has been astute to prevent any militarily sensitive knowledge from being licensed to go to Romania and if Romania has attained access to it, it is not through most-favored-nation status, not through commerce with American companies. It is obtained through entirely different sources and that can and would continue if that is the policy of that government, whether most-favored-nation status continues to exist or not.

I would like to remind the committee that Romania is a very poor country, poorest of all except Albania, in Europe. The loss of their educated citizens through emigration is one of the most severe burdens that they have shouldered in recent years. We would actually do them a favor by eliminating an incentive for emigration by ending most-favored-nation status.

But the fact of the matter is, they don't want to lose most-favored-nation status. If I were to make any analogy regarding most-favored-nation status, it would be the case of somebody who has a gun with one bullet. If he fires that bullet his ammunition is gone. Our major leverage with the Romanian authorities is the fact that we can fire the bullet and withdraw most-favored-nation status. But please, make no mistake about it, if we were to fire that bullet, we have nothing to substitute for it.

We talk about imbalance in trade. The major portion of their trade with the United States is made up of petroleum products. I know that the firm which I headed is the largest independent world dealer in petroleum products in crude oil. Petroleum products are an internationally traded commodity. If you don't sell them in one place, you sell them in another place. The fact that we purchased them for use in the United States is because the American industrial balance required imports of those petroleum products. If the Americans who imported them couldn't have gotten them from Romania, believe me, they would have gotten them from other foreign sources, just as easily.

So also, these products bear no national identity after they come out of the country. They are traded freely around the world. The Romanians if they have something that is an internationally traded commodity, they sell it to other countries, just as easily as they can sell it to the United States.

We speak of most-favored-nation status to Romania as if it was something that was existing alone. Believe me, if they lost most-favored-nation status, American businessmen would lose most-favored-nation treatment immediately the same way the Romanians would. The two things are tied together like Siamese twins.

Is that good? Well, I don't think it would be good for American companies that engage in sending products and services to Romania for them to lose that benefit because the loss of most-favored-nation status would mean discriminatory treatment against our goods and services.

We talk about the imbalance in trade between Romania and United States. If it was up to Romania they would have that imbalance with every country with which they deal. They had a $12 billion external debt and they were unable to service it. I know the agony that they went through, because Mr. Ceausescu asked me to Romania to discuss this with him and I advocated to him that as quickly as possible he try an orderly rescheduling of that debt.

He told me then that he would strive with might and main to eliminate that debt. How could he do it but by austerity at home, limitation on imports and acceleration of exports.

He ran into the dreadful problem of a world recession in 1982 and 1983 and was unable to accelerate exports to any great extent. Now he is taking advantage of the improvement in world conditions to do that.

Has he been successful? Yes, from his point of view he has. He has reduced the debt about 50 percent.

Has it meant difficulties for the Romanian people? Yes indeed it has. They have been deprived of many things. There are ration lines for even the most elemental products in Romania.

Is that fun for them? No, it is not fun at all. The Romanian society is the poorest society, it has been, and in my opinion, will continue to be for a long period of time. But this is and of itself is no reason for us to discriminate against them.

We can't have it both ways. We can not ask them to pay off their debt to us and at the same time deny them the right to export their goods to our country. And if they lose most-favored-nation treatment, believe me, you will find immediate defaults on their external debt and that will not be good for the American banks or American Government agencies which are holders of that debt.

What has most-favored-nation status done for us? It has given us leverage, leverage for solving tough cases. Mr. Catarama has just been released from jail and will soon come to this country. This was one of the most notorious cases that existed.

How did this come about? This came about because our State Department vigorously supported this, and because I made it one of the principal elements of my conversation with Mr. Ceausescu on April 29. I implored him to release this person and he said he would give it favorable consideration. The man has now been released. I hope within days he will come to this country.

We have referred to the case of Mr. Fodor. I know Mr. Fodor. I know him very well. I probably know him better than any other person in this room. President Reagan was kind enough to ask for the release of his wife and child in a letter to Mr. Ceausescu. Mr. Nixon wrote a letter solely on this purpose to Mr. Ceausescu. I pleaded with Mr. Ceausescu for the release of the wife and son. I said give them to me, I am leaving in 2 days, I will take them back with me and I will see they get a visa for the United States. I had a tremendous argument with him on this purpose. I did not win the argument, but I don't lose gracefully. On a matter of this sort, I will go back to continue that discussion and dialog with him on another day.

If we are looking at broader implications of what has been discussed, let us realize that we cannot find in a large part of the world the observances of the ideas which we hold precious in this country. If we were to follow the example of what has been proposed with respect to Romania, we would find that there would be a large part of the world that would be off limits to U.S. trade and believe me, that will serve neither the people of the United States nor the interests of any segment of our society.

The best example that we can supply to these countries that do not observe human rights as we like to see them observed, is by the presence of American businessmen and tourists in their society, and by inducing some of them to come to our country to see how we enjoy these freedoms and what an integral part of our society they are.

I would like that Romania not become off limits to the American business community as a result of our withdrawing MFN.

Are we looking for perfection? We will never get it with a Communist society. Our best bet is persistence, and our presence in the international arena to press the values that we hold dear.

Thank you very much.

[The prepared statement follows:]

STATEMENT

by

Milton F. Rosenthal

U.S. Chairman

Romanian-U.S. Economic Council

Mr. Chairman, I am Milton F. Rosenthal, retired Chairman and Chief Executive Officer of Engelhard Minerals and Chemicals Corporation. Since 1975, I have served as the U.S. Chairman of the Romanian-U.S. Economic Council. It is in this latter capacity that I am appearing today.

The Council was an early proponent of normalizing trade relations with Romania and gave its support to the negotiations that resulted in the 1975 signing of the Agreement of Trade Relations between the United States and Romania. The Agreement, together with its provision on most-favored-nation (MFN) tariff treatment, has been a critical element in the bilateral relationship for the last eleven years.

I am pleased to be able to appear here today in support of the President's decision to extend for an additional twelve months MFN status to Romania. I would like to focus my remarks on the positive impact the Trade Agreement and its MFN provision have had on U.S. interests in Romania.

In the commercial field, the Trade Agreement has provided U.S. companies with important protections in such areas as property rights, business representations and capital repatriation. Such protections have provided our companies with the necessary leverage to resolve certain commercial problems that have confronted them.

The Trade Agreement, and in particular MFN, has provided the framework for a stable growth in trade between our two countries. In the late 1970s, U.S. companies won sizable contracts to provide the Romanians with capital equipment, manufactured goods and agricultural commodities. While Romania's financial difficulties have resulted in a significant decline in that country's imports from the West in recent years, we expect this situation to change as Romania's economy improves.

Because of the strong business relationships established in the 1970s, U.S. companies are well positioned to benefit from Romanian import requirements during the remainder of this decade, both with regard to spare parts and additional equipment needs. Indeed, U.S. exports for the first quarter of this year were double that of the same period in 1985. Romania's economic plans appear to provide significant export possibilities in such areas as energy equipment and technology, scientific measuring and automation equipment, certain consumer items, oil and gas exploration and recovery equipment, and agricultural chemicals.

Beyond the commercial sphere, MFN has been an effective tool for the United States in its dealings with the Romanians in the politial field. In return in part for MFN, the Romanian Government has permitted significant numbers of its citizens to emigrate to the United States, the Federal Republic of Germany and Israel. Such permissions have been granted despite the fact that these emigrants have often come from the well educated ranks of society, citizens whose skills are needed in the country's industrial and scientific sectors.

Certainly more needs to be done in the humanitarian field, as the President pointed out in his report to Congress. MFN can provide an effective tool in this regard. However, it is extremely important that this tool be used carefully and in a focused manner.

As an example, two years ago the Romanian Government promulgated an educational tax on those wishing to emigrate. The impact of this tax would have been a drastic decline in emigration levels. Following a series of diplomatic initiatives between our two countries and a discussion at the highest level in which I personally participated at Romanian invitation, the Romanian Government concluded that the tax would be detrimental to the bilateral relationship and its ability to sell in the U.S. market and, therefore, decided that the tax would not be implemented.

More recently, we have seen the resolution of several humanitarian cases to which the Administration and certain Members of Congress had attached great importance. State Department Counselor Derwinski and U.S. Ambassador Kirk deserve thanks and congratulations for their diligence in this regard. Once more I took advantage of Romanian invitation to discuss these matters in person. The cases were ultimately resolved as a result of the effective use of the MFN leverage.

While our Council deals primarily with issues relating to the bilateral trade relationships between the United States and Romania, our American members are very much interested in the protection of human rights in all the foreign countries in which we do business. When we travel to these countries, we take with us our democratic ideals and human values. We have no sympathy with and do not condone violations of such values.

We believe that the very presence of American business representatives in countries which do not share our respect for the value of the individual, provides the citizens of such countries with excellent proof of the advantages of our form of society and government. Consequently, rather than discouraging U.S. business from operating in such countries, we believe our government should view U.S. business overseas as an important source of people to people contacts.

It has been proposed by some Members of Congress that Romania's nondiscriminatory tariff status be suspended or terminated. As a businessman with more than 40 years of experience in international trade, I can tell you that there would be little difference between suspension and termination. Business relationships and patterns of doing business in international trade cannot be turned on and off. Once a major interruption occurs, it tends to become more or less permanent. In my opinion, therefore, any proposal to suspend Romania MFN status should be evaluated on the same basis as a proposal to terminate that status.

Such an occurance would be bound to encourage a reversal in Romania's policy of directing a majority of its world trade to Western countries, including the United States. With this reversal would come a significant decline in our ability to influence events in Romania, in particular in the field of human rights. If we are pragmatic, we must ask ourselves what would then be likely to occur in the lives of those who hope to obtain permission to emigrate and those who seek improvement in their religious freedoms.

It is obvious that the critics of Romanian behavior in the area of human rights believe sincerely that they are acting in the best interest of the Romanian people when advocating suspension or termination of Romania's MFN status. Experience proves, however, that such action would inevitably result in material damage to the very people they are trying to protect.

On behalf of the Economic Council, I greatly appreciate the opportunity to espouse these views. We are grateful to you, Mr. Chairman, and the members of this Subcommittee for your attention. We respectively urge you to support the President in his decision to renew MFN for an additional twelve month period. Thank you.

Chairman GIBBONS. Mr. Heller.

STATEMENT OF NORMAN HELLER, PRESIDENT, PEPSICO WINES AND SPIRITS INTERNATIONAL, ALSO ON BEHALF OF PEPSICO INC. AND PEPSI-COLA INTERNATIONAL

Mr. HELLER. Yes. Mr. Chairman and members of the committee, my name is Norman Heller, and I am president of PepsiCo Wines and Spirits International.

I am here today on behalf of PepsiCo Inc. and two of its divisions, Pepsi-Cola International, which is responsible for our international soft drink operations, and PepsiCo Wines and Spirits International, which is involved in the trading and marketing of wines and spirits worldwide.

In that capacity, I can state that PepsiCo expresses its strong support for the administration's decision to continue in effect, the waiver authority under section 402 of the 1974 Trade Act to the Socialist Republic of Romania, the Hungarian People's Republic and the People's Republic of China.

PepsiCo is engaged in the sale of consumer products on a worldwide basis. In Eastern Europe, Pepsi-Cola and our other soft drinks constitute our major products for sale. Pepsi-Cola was introduced in Romania in 1965, 21 years ago. Today, the Romanians bottle Pepsi-Cola in three plants and distribute it widely throughout their country. Approximately 5 million 24-bottle cases or 120 million bottles of Pepsi-Cola will be sold in Romania this year. We opened the Hungarian market in 1968. Today there are seven plants which will provide nearly 13 million cases of Pepsi for consumption by Hungarians in 1986. The People's Republic of China is a new market for PepsiCo, opened just 5 years ago. But there already are two Pepsi plants which will produce more than 4 million cases this year, and we expect to see substantial growth in the soft drink and food service sectors over time.

We, at PepsiCo, strongly believe that building bridges of trade is an important step in developing international understanding and peaceful relations throughout the world. Such business relationships are a vital means of sustaining open lines of communication and improving cultural, political and personal understanding. We also believe that maintaining most-favored-nation status is crucial to the continuing economic stability and the future economic growth of these business relationships.

I would like to focus for a few moments on Romania—our oldest trading partner in Eastern Europe. Since 1965, our business with Romania has continued to grow. The basis for our business operations in Romania is a licensing arrangement. Both PepsiCo and the Romanian Government view this arrangement as a shared investment working toward mutual profit and stability.

Romanian wines were introduced in the United States in October 1976, under the trademark Premiat. This has proven to be a success in that the United States consumer has been provided with wines of outstanding quality at good value. The result on our side is that PepsiCo earns profit on the sale of both products.

I can state as an international executive for 25 years and as a U.S. citizen that in my company's dealings with the various ministries and trade enterprises of Romania, we have been impressed with their good will, sincerity, and cooperation in our joint commercial relationships, both in the areas of their purchases of Pepsi-Cola from us and their sale of wine to us.

For all these reasons, PepsiCo strongly supports the extension of most-favored-nation status for these three countries. We believe the administration's recent decision makes solid sense from an economic standpoint, and from a public policy standpoint as well. We very much hope that this action will receive strong congressional support.

Mr. Chairman, I thank you for the opportunity to appear here today. I would be pleased to answer any questions the committee may have.

Chairman GIBBONS. Our next witness is Mr. Ogden.

STATEMENT OF S.O. "BUD" OGDEN, CHAIRMAN, ISLAND CREEK COAL CO., LEXINGTON, KY, ON BEHALF OF AMERICAN BUSINESSES FOR INTERNATIONAL TRADE, ACCOMPANIED BY RUTH NOBLE GROOM, PRESIDENT, NOBLE TRADING CO., INC., AND VICE CHAIRMAN, AMERICAN BUSINESSES FOR INTERNATIONAL TRADE

Mr. OGDEN. I am Bud Ogden. I am chairman of Island Creek Coal Co., and I am here to express my company's support for continued most-favored-nation status and treatment for Romania. In addition, I am appearing on behalf of the 14 member companies of the American Businesses for International Trade. These companies are unanimous in their support for continued MFN treatment for Romania. We feel that continued MFN treatment for Romania makes good economic sense, good domestic sense, and good international policy sense.

As to my company, we have a very specific interest in seeing the United States continue its constructive and reasonable practice of extending most-favored-nation treatment to Romania. In 1985, we shipped more than 600,000 tons of high quality metallurgical coal to Romania, and in 1986 we expect to deliver more than 500,000 tons of such coal with a delivered value in excess of $25 million.

Since 1977, the Island Creek Coal Co. has been involved in a venture with the Government of Romania to develop a metallurgical coal mine in Buchanan County, VA, through an agency of the Romanian Government known as Mineral Import Export or MIE. Romania has invested over $60 million in my company's Garden Creek Pocahantas Coal Co. in Buchanan, VA. This mine was developed expressly for sales to Romania and the agreement between Island Creek and MIE calls for the mining and sales of more than 14 million tons of cleaned coal during the period form 1980 through 2015.

You can imagine what this type of commitment means to our company and to the more than 255 miners and 55 supervisory and staff personnel who depend on this mine's operation for their livings.

Total payroll of this mine last year was over $12 million. But the mine's operation and sale to Romania have a much broader impact than the positive contributions made to the local community. All of

Garden Creek's coal, over a million tons a year, is shipped on the Norfolk & Western Railway, providing over $18 million per year in revenues to that line.

In addition, the mine's coal shipments generate jobs and revenue at the ports from which the coal is shipped. These ports include Norfolk, VA; Morehead City, NC; Charleston, SC; and New Orleans, LA.

Unless MFN is extended to Romania, the Garden Creek Coal operation and its associated benefits could be in jeopardy. Removal of the status could affect Romania's purchases and our mine operations. Such a negative occurrence would have a detrimental effect on Garden Creek employees and the ports that I mentioned.

Reasons for continued MFN treatment for Romania extend far beyond the interest associated with my company's operations. Companies such as General Electric, the United States Luggage Co., Noble Trading Co., Felton International, Inc., Austin Powder Co., and other Members of ABIT support continued MFN treatment for Romania. These companies are involved in both imports and exports spanning a range of industries and products, including electronics, clothing and textiles, leather and luggage, explosives, cotton, yarn, flavor and fragrances, mining, and metallurgy.

With me today is Ruth Noble Groom, president of one of the ABIT member firms, the Noble Trading Co. Noble is one of the many small firms involved in trade with Romania as well as one of the many firms involved in countertrade or barter with the country. I know countertrade was mentioned earlier. Ruth is also most familiar with the problems which would be posed for small businesses or firms involving countertrade with Romania if MFN status were withdrawn. She has traveled frequently to Romania in the course of her business. The ABIT companies are both large firms like Island Creek and small businesses like Noble Trading. They have operations which account for millions of dollars worth of business with Romania annually and employ workers in States from New York to Alabama and from New Jersey to Colorado.

Aside from our commercial interest in Romania, from a broader perspective we believe continued most-favored-nation treatment or Romania is in the United States best political and economic interests. Well over 100 United States officials in industries such as I have previously mentioned do over $100 million of business with Romania. This results in jobs for United States workers, support markets for United States goods, and price benefits for United States consumers.

Furthermore, United States trade with Romania assists that country in its repayment of its massive debt to Western nations. In contrast to many other countries, as we have heard earlier in similar positions, Romania is current on its debt obligations to the West. It has been estimated by ABIT the suspension of Romania MFN status would reduce the country's exports to the United States by as much as $300 million. At the same time, half the United States exports to Romania would undoubtedly be lost. MFN status is essential to industries hard hit by economic pressures, including agriculture, textiles, and most certainly the severely depressed United States coal industry.

My company and the other ABIT member companies realize the decision of whether or not to continue MFN status for Romania cannot be based exclusively on economic considerations. Furthermore, we share and appreciate the concerns of many groups in the United States and several Members of Congress regarding Romania's recalcitrance in liberalizing some of its human and religious rights policies. However, we believe that continued MFN treatment for Romania could be a constructive and positive way of engendering further reform of Romanian Government policy.

In conclusion, I would like to say that given the proven effectiveness of MFN as I believe it, renewal process as an inducement for Romania to improve the human rights situation, coupled with the importance of United States political interest in maintaining good trade relationships with Romania, we strongly believe the action to deny, or equally so, the action to suspend Romania MFN status, would not be in the best long-term interest of the United States or Romania.

For these reasons, we ask Congress not to exercise its disapproval authority over President Reagan's recent recommendation to extend MFN treatment for another year, and urge that independent legislation currently pending in Congress which would have the effect of denying Romania MFN treatment be rejected.

I thank you and would be happy to answer any questions.

Mr. CRANE. Thank you, Mr. Ogden.

[The prepared statement follows:]

STATEMENT OF
BUD OGDEN,
CHAIRMAN,
ISLAND CREEK COAL COMPANY
LEXINGTON, KENTUCKY

Mr. Chairman, Members of the Trade Subcommittee,

My name is S.O. "Bud" Ogden, and I am Chairman and CEO of Island Creek Coal Company located in Lexington, Kentucky. I am here today to express my company's support for continued most favored nation ("MFN") treatment for Romania. In addition, I am appearing on behalf of the fourteen member companies of the American Businesses for International Trade ("ABIT") organization. These companies are unanimous in their support for continued MFN treatment for Romania. We feel that continued MFN treatment for Romania makes good economic sense, good domestic policy sense and good international policy sense.

My company, Island Creek Coal Company, has a very specific interest in seeing that the United States continues its constructive and reasonable practice of extending most favored nation treatment to Romania. In 1985, we shipped more than 600,000 tons of high-quality metallurgical coal to Romania, and in 1986, we expect to deliver more than 500,000 tons of metallurgical coal to Romania with an estimated delivered value of $25 million annually.

Since 1977, the Island Creek Coal Company, a Kentucky-based subsidiary of Occidental Petroleum, has been involved in a joint venture with the Government of Romania to develop a metallurgical coal mine in Buchanan County, Virginia. Through an agency of the Romanian government known as a Mineral import export ("MIE"). Romania has invested over $60 million in my company's Garden Creek Pocahantas Coal mine in Buchanan, Virginia. This mine was developed expressly for sales to Romania, and the agreement between Island Creek and MIE calls for the mining and sales of more than 14 million tons of cleaned coal during the period from 1980 to the year 2015.

During the start-up development period of 1980-1985, MIE imported 1.2 million tons of Garden Creek coal, with a total delivered value of $60 million. As called for under the joint venture agreement, MIE will continue to purchase approximately 40% of Garden Creek's mine production over the next 30 years.

You can imagine what this type of commitment means to our company and to the more than 255 miners and 55 supervisory and staff personnel who depend on the mine's operations for their livings. Total payroll of the Garden Creek mine in 1985 was approximately $12 million. In that year, Garden Creek paid income taxes to the State of Virginia of $130,000.

But the mine's operation and its sales to Romania have a much broader impact than the very positive contribution made to the local community. For instance, all of Garden Creek's coal, over one million tons per year, is shipped on the Norfolk and Western Railway, providing over $18 million per year in revenue to that line. In addition, the mine's coal shipments generate jobs and revenue at the ports from which the coal is shipped. These include coal piers at Norfolk, Virginia, Morehead City, North Carolina, Charleston, South Carolina, and New Orleans, Louisiana.

Unless MFN is extended to Romania for another year, the Garden Creek Coal operation, and its associated benefits, would be put in jeopardy. Without the economic resources of Romania and its continued support in terms of coal purchases and mine investments, the future of Garden Creek Pocahantas Coal Company would be in grave danger. Removal of Romania's MFN status could seriously affect Romania's future coal purchases and its participation in my company's mining operations. Such a negative occurrence would have a detrimental impact on the Garden Creek employees, the community, the N&W Railroad, its employees, and the ports which serve our coal exports.

The reasons for continued MFN treatment for Romania extend far beyond the interest associated with my company's operations. Companies such as General Electric, the United States Luggage Company, Noble Trading Company, Inc., Felton International, Inc., Austin Powder Company and other members of ABIT support continued MFN treatment for Romania. These companies are involved in both exports and imports spanning a range of industries including electronics, clothing and textiles, leather and luggage, explosives, cotton, yarn, flavor and fragrances, mining and metallurgy. With me today is Ruth Noble

Groom, President of one of the ABIT member firms, Noble Trading Company. Noble is one of the many small firms involved in trade with Romania, as well as one of the many firms involved in countertrade, or barter, with the country. She is most familiar with the problems which would be posed for small businesses and for firms involved in countertrade with Romania if MFN status were withdrawn. In addition, she has traveled frequently in Romania in the course of her business.

The ABIT companies are both large firms like Island Creek and small businesses like Noble Trading Company. They have operations which account for millions of dollars worth of business with Romania annually and employ workers in states from New York to Alabama and New Jersey to Colorado. The ABIT group is only two weeks old, and we expect that it will grow substantially in the weeks ahead as more of the over 130 U.S. firms now trading with Romania become involved. Aside from our companies' direct commercial interests in Romania, from a broader perspective, we all believe that continued most favored nation treatment for Romania is in the United States' best political and economic interests.

In 1985, total U.S.-Romanian trade was approximately $1.2 billion. Well over 100 U.S. firms in industries such as mining, agriculture, electronics, textiles, leather goods and others now do hundreds of millions of dollars in business with Romania. This results in jobs for U.S. workers, export markets for U.S. goods and price benefits for U.S. consumers. Furthermore, U.S. trade with Romania assists that country in repayment of its massive debt to Western nations. In contrast to many countries in similar positions, Romania is current on its debt obligation to the West. MFN status is essential to the trade which permits Romania to maintain this exemplary payment record.

In addition to substantially hampering Romania's previously successful attempts to remain current in its external debt obligations, denial of MFN status would result in serious disruption to significant American investment in the U.S.-Romanian trade relationship. It has been estimated by ABIT that suspension of Romania's MFN status would reduce the country's exports to the U.S. by as much as $300 million. At the same time, U.S. exports to Romania would be cut in half. The resulting restrictions on U.S.-Romanian trade would have a severe, adverse impact on both economic and political relations. Denial of MFN status would hurt struggling U.S. industries already hard hit by other economic pressures, including agriculture, textiles, and most certainly the severely depressed U.S. coal industry.

My company and the other ABIT member companies realize that the decision on whether or not to continue MFN treatment for Romania cannot be based exclusively on economic considerations. Furthermore, we appreciate the concern of many groups in the United States and of several members of Congress regarding Romania's recalcitrance in liberalizing some of its human and religious rights policies. However, we believe that continued MFN treatment for Romania would be a constructive and positive way of engendering further reform of Romanian government policies. Removal of MFN status for Romania would cause relations between our two countries to deteriorate and would effectively close the door on further constructive pressures in this area.

Evidence of the positive effect that a strong trading relationship with Romania has on the area of human rights can be seen in Romania's recent response to U.S. pressures on religious and ideological freedom. For instance, the Romanian government recently decided to release religious leader Gheorghe Calciu and his family to emigrate. In addition, the government has announced the release of dissident literary critic Dorin Tudoran. Of major significance was the arrangement in September of 1985 for a Billy Graham Crusade in Romania.

Continued MFN status would keep Romania responsive to U.S. concerns regarding human and religious rights. Romania historically has been responsive to U.S. concerns about emigration and human rights. MFN status would help the U.S. maintain this leverage. Denial of MFN status also could hold back pending family reunifications of Romanians with relatives in the U.S.

Continued MFN status would help expand U.S. influence among eastern European nations. On the other hand, denial of MFN status to Romania would send the wrong signal to other Eastern European countries which might otherwise be encouraged by the Romanian example.

Over the years, of all of the Warsaw Pact countries, Romania has resisted Soviet influence. Despite its political and geographical position within the Soviet sphere of influence, Romania has pursued a courageous, independent foreign policy. For example, Romania maintains diplomatic relations with Israel, despite Soviet refusal to recognize Israel. In addition, Romania has the most pro-United States voting record in the United Nations of all eastern European countries. Of major symbolic significance was Romania's refusal to join the Soviet-sponsored boycott of the 1984 Olympic Games. And Romania both recognizes and provides support for 14 different churches and sects which function in the country according to their own canonical laws.

Romania has steadily improved its emigration record due directly to its desire to receive continued MFN treatment. Overall, emigration from Romania has increased more than six-fold since MFN status was granted. Emigration to the U.S. has increased ten times in the period 1974 to 1984. Jewish emigration to Israel also has increased incrementally since 1979. Romania has given U.S. requested assurances regarding emmigration policies and has lived up to them.

In conclusion, I would like to say that given the proven effectiveness of the MFN status renewal process as an inducement for Romania to improve the human rights situation, coupled with the importance to U.S. polical and economic interests of maintaining good trade relations with Romania, we strongly believe that action to deny Romania MFN status would not be in the best long-term interest of either the U.S. or Romania. For these reasons, we ask Congress not to exercise its disapproval authority over President Reagan's recent recommendation to extend MFN treatment for another year and urge that independent legislation currently pending in Congress which would have the affect of denying Romania continued MFN treatment be rejected.

I thank the members of the Trade Subcommittee for the opportunity to appear before you today and I would be happy to answer any questions you might have.

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Mr. CRANE. Ms. Groom, did you want to add a statement to that?

Ms. GROOM. Mr. Chairman, there is not a lot—I assure you there is not a lot I would like to add to that. But I would like to say, as vice chairman of ABIT, I am speaking for my trading company and for another 100 or so trading companies who import from Romania and which account for about $400 million in imported goods into the United States.

You asked a very pressing question earlier in the hearing: Would trade be damaged with Romania if we withheld MFN?

From a practical and realistic point of view, we would be out of business, as I am sure most of the other 100 smaller businesses trading in Romania would also be. And it is very simple. If you are buying goods and selling them in the United States and you lose your source of supply, the customers you are selling to go elsewhere.

You can't go back to the same customers in 6 months and say, "Well, I have a surprise for you. Now I can sell you the products."

Not only can you not keep your payroll going 6 months, but your customers wouldn't believe you in the future.

There is only one other point I would like to make. My company is a barter company, and we provide Romania with cotton from the United States and coal from the United States in exchange for the wood and paper products that we take out.

From the point of view of the $200 million in exports to Romania from the United States, I think it is significant that we realize if we eliminate MFN we are hitting two of the most hard pressed industries already: The farmers and the miners; $80 million of the $200 million exported to Romania is corn and soy beans and farm products, and another $40 million is coal. And these are not products that we could go and turn around and sell elsewhere. They are both depressed sectors of the economy.

We have a lot at stake personally for American citizens in eliminating MFN. If it could change things, that might be another matter, but I think Mr. Rosenthal said something very important, that if you shoot that one bullet in the gun—that is MFN—and you lose that bullet, that bullet is gone, and all you have is an empty gun.

We have nothing. And we have cut off our noses to spite our faces.

Mr. CRANE. Thank you for your testimony.

[The prepared statement follows:]

STATEMENT

OF

RUTH NOBLE GROOM
PRESIDENT
NOBLE TRADING COMPANY, INC.

I am Ruth Noble Groom, the President of Noble Trading Company, Inc., and Vice Chairman of American Businesses for International Trade (ABIT). I appreciate the Subcommittee's invitation to testify on the impact of Most-Favored-Nation (MFN) status for Romania, particularly on small businesses in the United States.

At the outset, it should be emphasized that revocation of MFN would be disasterous for my company and for many of the approximately one hundred other small businesses trading with Romania. If MFN were not in effect, my company would engage in no trade whatsoever with Romania, and I think the result would be the same for many other small companies. Furthermore, I believe that revocation of MFN status would substantially negate the progress the U.S. Government has made thus far in its relations with Romania regarding international economic policy, foreign policy, and human rights and religious matters.

U.S. Small Businesses Trading with Romania

Noble Trading Company, Inc. is a District of Columbia corporation, with its headquarters in Alexandria, Virginia. The company was founded in 1977 primarily to engage in importing from the People's Republic of China. Since then our business has expanded to include substantial barter and countertrade operations in Eastern Europe. For the past three years we have been trading U.S. cotton and coal to Romania in exchange for wood, paper, and metal products. This business amounted to about $8 million over the past year.

Besides Noble Trading Company, there are approximately one hundred other small U.S. companies trading with Romania. Most of these are importers of Romanian products such as luggage, furniture, foodstuffs, clothing and textiles, and chemicals. For many of these companies, trade with Romania is their primary, if not sole, business. As explained below, if the United States does not maintain trade relations with Romania on an MFN basis, many of these companies could be forced out of business.

Effect of MFN Status on International Trade

Pursuant to section 402 of the Trade Act of 1974, Pub. Law 93-618, the President extended MFN status to Romania in 1975. That status has continued in effect each year, enabling imports from Romania to enter the United States at the lower "Column 1" duty rates. Imports from non-market economies are ordinarily subject to the much higher "Column 2" duty rates.[1] Certain imports from Romania enter the United States duty-free under the Generalized System of Preferences. As a result of the restoration of MFN status to Romania by the United States, total trade between the two countries has tripled, from about $450 million in 1976 to $1.2 billion in 1984.[2]

1. Effect on Imports

If MFN status were to be revoked, the tariffs on imported Romanian goods would snap back to the sharply-higher Column 2 rates. Furthermore, Romania would lose its GSP status, since the President may not designate Communist countries as "beneficiary developing countries" eligible for GSP status unless they have MFN status. 19 U.S.C. 2462.

The adverse impact on small businesses importing from Romania would be enormous. According to the Department of Commerce, the competitiveness of ninety percent of the goods Romania now sells in the United States would be adversely affected by the termination of Romania's MFN status.[3] Furthermore, the impact would be disproportionately harsh for small businesses, since many of them depend heavily on trade with Romania for their livelihood.

As I have said before, Noble Trading Company's import business with Romania would essentially be wiped out, and the same result would obtain for a number of other small businesses. This situation would be bad enough in itself; what makes it worse, however, is that while many small U.S. importers would be driven out of business, U.S. producers of like products would not benefit. The Commerce Department's research indicates that Romanian products by and large do not compete with U.S. goods; Japan, Taiwan, South Korea, Italy and West Germany would gain the bulk of Romania's lost U.S. markets.4/ I personally can't understand the wisdom of harming U.S. small businesses to benefit foreign suppliers such as those described above.

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[1] The imports of countries with MFN status are dutiable at Column 1 rates, which reflect substantial tariff concessions negotiated within the framework of the General Agreement on Tariffs and Trade (GATT), instead of the Column 2 rates, set by law in 1930 which are generally significantly higher. Thus, except when Column 1 and Column 2 rates are the same or items are admitted duty-free, MFN status confers economic advantages.

[2] _MFN Status for Hungary, Romania, China, and Afghanistan: Hearing Before the Subcomm. on Inter. Trade, Comm. on Finance_, 99th Cong., 1st Sess. 229 (Statement of Dep. Asst. U.S. Trade Rep. Ralph R. Johnson, July 23, 1985).

[3] _Continuation of the President's Authority To Waive the Trade Act Freedom of Emigration Provisions: Hearing Before the Subcomm. on Inter. Trade, Comm. on Finance_, 98th Cong., 1st Sess. 39 (Statement of Dep. Asst. Sec. of Commerce for Europe Franklin J. Vargo, Jul. 29, 1983). This statement was repeated by Mr. Vargo in substance at the 1984 hearing. See fn. 4 _infra_.

2. Effect on U.S. Exports

Revocation of MFN status would also have a disruptive effect on U.S. exports to Romania. Although U.S. exports make up only about 20% of the bilateral trade, these exports mainly consist, significantly, of machinery, transportation equipment, mineral fuels, e.g. coal, and agricultural products, such as soybeans and corn.5/ This trade could dry up and cause serious injury to farmers, miners and blue-collar workers who have already been hard-hit the past few years. There are three simple reasons for this. First, U.S. exports to Romania receive MFN treatment, since Romania is a member of the GATT, having joined in 1971. Under GATT rules, Romania would be entitled to withdraw MFN status from the United States if we withdrew MFN status from Romania.

Second, it is the policy of the Government of Romania to purchase goods from the countries to which it sells.6/ In fact, Romania has been favoring imports from the United States,7/ at the expense of mutual trade with other Eastern European countries and the Soviet Union.8/ It seems to me that it would be difficult, if not impossible, for the Government of Romania to continue this policy if the United States were to revoke its MFN status.

4/ Ibid. at p. 39. See also, Continuing Presidential Authority To Waive Freedom of Emigration Provisions: Hearing Before the Subcomm. on Inter. Trade, Comm. on Finance, 98th Cong., 2nd Sess. 319. (Statement of Dep. Asst. Sec. of Commerce for Europe Franklin J. Vargo, Aug. 8, 1984).

5/ 45th Quarterly Report to the Congress and the Trade Policy Committee on Trade Between the United States and the Nonmarket Economy Countries During 1985 (USITC Pub. 1827, Mar. 1986 at pp. 73, 97).

6/ Vargo testimony before the Finance Committee in 1985 at p. 241. See fn. 2 for cite.

7/ Idem.

8/ Eastern European Economies: Slow Growth in the 1980's: Volume 2, Foreign Trade and International Finance. Selected Papers Submitted to the Joint Economic Comm., 99th Cong., 2nd Sess. (Poznanski Paper at p. 63).

Third, Romania has used the earnings from its exports to the United States to expand its imports from the United States.[9] Also, Romania has used these hard currency earnings to repay financial obligations to the U.S. Government and private western banks and commercial suppliers.[10] Without export earnings on sales to the United States, Romania simply would have no hard dollars to pay for U.S. goods and services.

3. Effect on Barter and Countertrade Activities

Romania has recently increased its countertrade requirements for Western suppliers in order to acquire capital goods for plant modernization without foreign exchange.[11] The reason for this is that Romania has a shortage of hard currency, having used what was available to pay off its foreign debt. This was accomplished by implementing domestic austerity measures and by taking direct action to limit non-essential imports.

Although countertrade requirements usually increase as hard currency supplies decrease, revocation of MFN for Romania would not benefit U.S. companies, such as Noble Trading Company, that are involved in countertrade with Romania. Normally, the only articles that are made available to satisfy countertrade requirements are those that are difficult to export. If Romanian goods were subject to the Column 2 duty rates, the goods offered for countertrade would not be difficult to sell; they would be impossible to sell. Consequently, U.S. exports to Romania would suffer proportionately.

Conclusion and Recommendations

I do not think it is appropriate for me to expand on the international economic policy, foreign policy and human rights reasons to maintain MFN status for Romania. These have been addressed in great detail by Administration and private sector witnesses in current and past testimony. However, I will observe that I believe the United States can accomplish its goals in these areas by keeping the doors open to trade and dialogue rather than closing the doors and breaking off relations.

For these reasons, I urge the Subcommittee to support continued MFN status for Romania. Revocation of MFN would be bad policy, with destructive results for U.S. small business.

9/ Vargo testimony in 1985 at p. 241.

10/ *Idem*.

11/ *45th Quarterly Report* at p. 73. For a description of Romania's countertrade policies, see USITC Pub. 1766, *Assessment of the Effects of Barter and Countertrade on U.S. Industries*, Oct. 1985 at p. 127.

Mr. **CRANE**. Let me ask Mr. Heller, first of all, you introduced Pepsi into Romania in 1965?

Mr. **HELLER**. That is correct.

Mr. **CRANE**. How did MFN affect your ongoing successful penetration of that market?

Mr. **HELLER**. When we introduced PepsiCo in 1965, we introduced it because, one, we were a good salesman, two, we convinced the Romanians it would help their tourism business because Western tourists, especially Americans, couldn't survive without a nice, cold Pepsi, and they believed that.

Mr. **CRANE**. I always drink beers.

Mr. **HELLER**. Our business, as I said, has grown and continues to grow. We do not have a barter relationship with them.

Many years later we developed and we helped them sell their wines into the United States. We make a profit on both businesses. If we lose MFN, then that will affect their ability to earn currency, to buy our goods from the United States, because the duties on wines would double, would make them noncompetitive and more difficult to sell.

And, second, because of the breakdown in their total economic structure, they are likely, very likely, to cut back on their purchases of Pepsi-Cola concentrate from us.

Mr. **CRANE**. How much? Do you have any measurement of the significance of the impact of MFN when it went into effect in 1975 on sales, that year versus 1974?

Mr. **HELLER**. No, I do not, because at that point in time I was responsible for our South American operations and was unaware of what was happening in that part of the world.

[The following was subsequently received:]

PepsiCo Wines and Spirits International

NORMAN HELLER
PRESIDENT & CHIEF EXECUTIVE OFFICER

June 17, 1986

The Honorable Philip M. Crane
U.S. House of Representatives
1035 Longworth House Office Building
Washington, D.C. 20515-1312

Dear Congressman Crane:

I have the answer to the question you asked me during the House Ways & Means Subcommittee meetings on Tuesday, June 10th concerning what happened to Pepsi-Cola's business with Romania after the granting of Most Favored Nation status back in 1975.

The answer is that prior to 1975, there was only one plant in Romania producing Pepsi-Cola. Since 1975, two other plants have opened and our business has more than doubled with the result that this fine American product has become more available throughout Romania to Romanians and tourists alike.

In addition, since Romania received Most Favored Nation treatment, we have also been able to develop an excellent business in the United States with the importation of quality Romanian wines at good value for the American consumer. In summary, our mutual business with Romania increased and relationships strengthened since 1975.

As I stated in my testimony, PepsiCo, Inc. strongly supports the extension of Most Favored Nation status for Romania, not only for good business reasons but also because such business relationships provide an important way to keep open lines of communication and to improve cultural, political and personal understanding between our two countries. We believe that the President's decision makes good sense, both from an economic and from a public policy standpoint and very much hope that the President's decision will receive your strong congressional support.

Respectfully yours,

Norman Heller

Norman Heller

cc: The Honorable Sam Gibbons,
Chairman

700 ANDERSON HILL ROAD, PURCHASE, N.Y. 10577 TELEPHONE 914-253-2078 CABLE ADDRESS PEPSI WINES PURCHASE NEW YORK STATE TELEX 424546

Mr. **Heller**. I would like to make one other point, and I think it is important for Members of Congress to understand this. MFN in its annual approval process—American businessmen in trading in Eastern Europe developed a reputation of being partners that the countries can rely on.

They can't build long-term business relationships with us. It takes a lot of hard work in order to do so, especially when it comes to major investment projects which would be good for the United States.

If they don't buy from us, they are going to buy it from our allies. We travel to these countries. They are inundated by West Germans, Frenchmen, Italians, and especially Japanese.

I also feel very strongly, as I stated in my talk, that by having trade we have open communication and better understanding, and we have kept the window of that country, the doors of that country open, given some important trading people in their governmental hierarchy an opportunity to see for themselves what our economy is about and what our open society is about and what our people are like.

Then they discover, lo and behold, something different from what their press says, we do not have horns growing out of our heads, we are human beings, very much like they are.

Mr. **Crane**. Mr. Rosenthal, you make a very eloquent plea—in fact, all of you do—for free trade worldwide and the elimination of trade barriers.

But with regard to trying to help promote human rights by encouraging U.S. business involvement abroad, would you make any exceptions to that?

Mr. **Rosenthal** Yes. I think there are cases which come up in this world in which the actions of a government may be so reprehensible vis-a-vis its own citizens that it will have become a pariah, and that trade with it should no longer take place.

I think that before such a drastic judgment would be reached, much water would have to go over the dam, because world society tends not to act with unanimity in these matters.

As an example, after the Russians made an incursion into Afghanistan, invaded that country, President Carter embargoed the sale of American grain to the Soviet Union.

What happened?

It caused tremendous damage to the American farm community. It created new competition, such as the growth of the feed grain industry in Argentina.

And today, when relationships have been normalized, as far as that type of trading activity is concerned, the American farm community faces grievous competition from these additional sources that came into being.

I think that if we are pragmatic we have to weigh the probabilities here. But I do think, in answer to your primary question, that there may well come a time when a nation acts in such a reprehensible fashion, vis-a-vis its own citizens, that it has declared it is an outlaw.

Mr. **Crane**. How about if it goes beyond its borders as in the case of Libya?

Mr. ROSENTHAL. I believe that is an excellent illustration, and I personally was very supportive as a private citizen of the action which our Government took with respect to Libya, and I am supportive also of the present directive to American oil companies to cease operations in that country.

That is a case of an international pariah that refuses to abide by the most elemental principles of relationships between nations.

Mr. CRANE. We, at the present time, extend MFN to Syria. Do you approve of that?

Mr. ROSENTHAL. I don't want to get beyond my department. I think this is something that has to be evaluated very, very carefully.

I think that before we withdraw MFN from a country we should think of going farther, withdrawing all trade relationships.

I think MFN is merely a bus stop on the way to that, and I don't think one can take that type of approach. Generally, the result of doing this kind of thing instead of doing the totality is merely that you spur international competition.

We would find that our international competitors would take advantage of our absence from these markets, but there certainly are times when the patience of man is tried and the only resort is principles, even though it may hurt at home.

Mr. CRANE. The reason I raise the question of Syria, I am sure you realize, is because of Syria's harsh organization, promotion training of terrorists through the years has been the case in Libya maybe in a more outrageous and conspicuous manner. But Romania's participation in harboring and training terrorists certainly runs counter to the grain of what we are trying to promote worldwide, and it seems to me that preferable infinitely to bombing, if you can achieve any degree of success, is the use of nonviolent economic sanctions.

I was with you incidentally on the grain embargo. I said at the time I would have started out with David Rockefeller's bank credits. Now the farmers wouldn't object to the embargo that was imposed, and I criticized President Ford for doing the same thing, going along with the AFL-CIO, but that is the thing I put at the bottom of an embargo, and I agree with you if you are going to do it as a punishment at the top and go all the way down, and the American farmers wouldn't have objected to that. They felt they got unfairly singled out, and I think that is correct. It was one of the most convenient and obvious targets, and, like I say, it has worked to the detriment of the American farmer and agricultural support.

Mr. ROSENTHAL. May I respond to something? You stated that the Romanians have engaged in——

Mr. CRANE. Subsidizing, contributing weapons.

Mr. ROSENTHAL. I have asked that specific question of important officials of the American Government, because I wanted to know, because if they had, it would have made an impact on my thinking. I asked it of the American Ambassador in Bucharest, the current American Ambassador, and his answer to me was, "I have received absolutely no evidence of that."

Mr. CRANE. I don't think he has looked.

Mr. **Rosenthal**. Well, we have an ambassador in our service who is in all of the years I have been in business, which is about 50 years, the best, most effective person I have ever come across. His name is Harry Barnes. He is currently the Ambassador to Chile, prior to that India, prior to that in Romania. No, before that, he was Director General of the Foreign Service, and before that he had two terms in Romania. I have asked him that question. And he says he has never seen any evidence to support it.

Mr. **Crane**. I am sure, if you will yield, he has not seen the evidence, and I am sure the State Department would not provide it to him gratuitously if they, in fact, themselves have it. I am not sure that our State Department goes around searching for answers to some of those questions because it frequently runs counter to State Department initiatives to promote better relations with all countries and maintain an open dialog and guarantee nobody gets isolated.

I mean, I can appreciate where they are coming from, but my point is those people really should seek the answers to those questions. And they, I think, should impact at least on economic policy of this country, because it strikes me that economic policy of this country is, as I indicated, a better way than having to resort to bombing. I was wholeheartedly in support of the bombing.

On the other hand, if there are pressures that can be brought to bear—if our European allies, for example, had responded to President Reagan's appeal to try economic sanctions and isolation first, that that might have provided an answer to the problem without having to resort to risking American lives.

Mr. **Rosenthal**. If you go to Romania, and I have gone there many times, you will find a lot of Arab students. They are housed in the hotels. If you go to the dining room of the hotel, you can't miss them. And, therefore, I have asked questions of Romanians, Romanians I have known for some time, and I can look them in the eye and ask them difficult questions. I have also asked the senior officials at the American Embassy, I said, "I see these people, what are they here for? I hear that there are reports of their being trained in terrorist activities."

And the answer has been given to me, "We have not received any single evidence of that." I have asked it at the State Department, of the Commerce Department, I have asked it of the National Security Council, and in all places I get the same answer. I have got to give credence to the answer. If the answer were different and that they had engaged, were engaging in training terrorists, I would take an entirely different view.

Mr. **Crane**. Then you do not agree with Mr. Pacepa?

Mr. **Rosenthal**. I have never met the man, I have no basis of agreeing or disagreeing with him. I can only testify as to what I know of my own knowledge and on the basis of inquiries which I, myself, have made.

I have been a lawyer for 50 years, and I have an inquiring mind in matters that concern me, and that to me was a relevant issue, and I inquired into it, and I have given you the answer which was granted to me.

Mr. **Crane**. Based on your experience. Well, I appreciate your testimony. There is just one final question that I would ask, and it was where you made reference to the trade agreement has provided U.S. companies with important protections in such areas as property rights.

Now, Ambassador Funderburk confirmed what Mr. Pacepa had said about theft of certified secrets and the three specific ones were the blueprints of American Aluminum Rolling Mills, the glass factories where they bribed an American engineer to the tune of $200,000 with a view toward flooding the U.S. market with glass products, and the Romanian Ministry by recruiting an agent at the United States Department of Agriculture's Research Center in Beltsville, MD, saving themselves an estimated $300 billion by stealing a United States national hybrid corn collection containing about 14,000 assortments and species.

Were you talking about that kind of protection?

Mr. ROSENTHAL. These are incredible statements, the stealing of $300 billion.

Mr. CRANE. I mean the value to them—it is not that they stole $300 billion. It is their estimated value.

Mr. ROSENTHAL. If they had an asset that was worth $300 billion, you would not have the poverty stricken country that I see constantly over there. They would make use of that resource. It doesn't exist.

Mr. CRANE. They are——

Mr. ROSENTHAL. This is a figment of someone's imagination.

Mr. CRANE. They are making use of it. The fact is their agricultural corn exports, in fact, are increasing quite dramatically since that theft of information, A; and, B, if you look at the trade imbalance we have with them, we had a favorable balance of trade until the last 3 or 4 years. All of a sudden that has turned around on us, and the gap appears, with the exception of oil export revenue losses to Romania, in other categories to continue to be expanding.

Mr. ROSENTHAL. The trade gap, by the way, has narrowed this year from last year by a very considerable margin.

Mr. CRANE. That is because of oil. I said with the exception of that. In all other categories, the trade gap has expanded.

Mr. ROSENTHAL. The American business community, in my opinion, has done a very poor job of penetrating the Romanian market. I have said this at many meetings of our council. I said you people just do not try hard enough. And many American business concerns just pass by the Romanian market completely without seeking to find out if they can sell goods and services. But it is, to my knowledge, a market that is open to Americans.

Mr. CRANE. I am sure that you have raised the point, Mr. Rosenthal, with Ceausescu in the past about religious persecution, but have any of the rest of you talked to Mr. Ceausescu about that?

Mr. OGDEN. I have not.

Mr. CRANE. And what has his response been to you, Mr. Rosenthal, on the question of religious persecution?

Mr. ROSENTHAL. I have said—for example, it is a matter of public record, when I was there last September taking a large American delegation of businessmen there, Mr. Ceausescu has the habit with me of having me bring in my delegation of American businessmen. They are seated on one side of the room, Romanian officials are seated on the other side of the room, including ministers and heads of trading organizations, and at the head of this group he sits in one chair, and I sit in the other, and there is an interpreter between us. I never know what he is going to say or ask, but it is an interesting game which we play together.

And on this particular occasion, he began to give an explanation of Romanian foreign policy, much of which was built on the basis of criticism of the United States' foreign policy, and on criticism that emanated from this Congress with respect to actions or inactions of the Romanian Government.

He spoke for about 45 minutes. I listened to this and it began to dawn on me, if I did not respond to what he said, he would assume that I agreed with him. And, therefore, I selected about five or six out of the perhaps dozen issues to which he had addressed himself, and I spoke on those issues. It took me about 30 minutes to do this. I took very sharp issue with him on just about everything he had said on those issues, and one thing I emphasized most particularly was the fact there was no power on Earth that could legally prevent an American Congressman from stating his opinion on any act or event that was taking place, had taken place or was likely to take place in the world, and that if he did not understand that fact of the American political system, then it was time for him to learn that fact.

And I said there were many times when Presidents of countries which were very friendly with us had cause to grimace when they heard comments about them emanating from American Congressmen and Senators. That was the way the game was played, and our President, President Reagan, was powerless to stop it, would not stop it and could not stop it, and, therefore, Romania had better get used to that.

So I have been at pains to try to explain the American system to him. It was reported to me after this event by one of his ministers that he said to the Minister after I left, "That was a damn good response which Rosenthal gave to me."

Mr. CRANE. Did he touch the religious persecution question?

Mr. ROSENTHAL. Yes, we discussed that at very considerable length on my last meeting with him in April. I said again that this was a matter of very deep concern to many Members of the American Congress. I said when you can find 80 or more Members of the House of Representatives joining as sponsors of the bill, it means that there is a deep feeling within Congress that something is wrong and something should be done about it.

His response was, his usual one, interference in the independent internal relationships of his own country, and he has always been at pains to state, not only to me, but many other people, that the independence of his country is the most important thing that he has to preserve, and that means protecting it from outside interference by others.

Once again, I responded, as I have indicated, with respect to the legitimacy of the concern that was voiced. I spoke to him about churches, the demolition of churches, about restoration of churches. I spoke to him about the import of Bibles into his country, I spoke to him about religious rights, extending the group of recognized churches to include a number of others which are not hitherto recognized. And we had, frankly, a rather caustic discussion on this subject.

He thought he was right, he thought this was a matter of personal concern, and he said to me at one point, "Look out the window, what do you see first out there? It is a church," he said, "and if you go around this town, you will find more churches than you will find anywhere else." And the fact of the matter is, he probably was correct.

Now, there is another fact that he has to cope with that I recognize. And that is, there is, as one of the previous witnesses said, practically a state church in that country. It is the Orthodox Church. Approximately 85 percent of churchgoers in that country, and most of the people are churchgoers, are members of that church. Both the clergy and the lay people are not particularly pleased when they see proselytizing sects seeking to come into their country or trying to expand their influence, which means basically taking some of their converts or coreligionists and converting them to another faith. And this means that he has a rather severe internal problem of getting along with the people who administer what has been the religion of that country for many centuries.

My response to that, when he said that to me, was that he was not the only leader who was faced with that situation and that, in my opinion, the best thing to do was to let nature take its course and let the people opt for what they preferred and not what the state predicated.

Mr. CRANE. I would just make an appeal in anticipation of your next meeting with Mr. Ceausescu on behalf of one of our earlier witnesses, Reverend Collins, with I think it is Christian Watch, he said they have scheduled for demise apparently the largest Baptist Church in Romania with a congregation, I think he said, of 2500 people, and they have appealed. It is under urban renewal, so they can perhaps rationalize tearing the church down, but they have appealed to the government unsuccessfully to get comparable quarters somewhere, and if you could make a pitch for them to at least try to accommodate that congregation if they do proceed with demolition of yet another big church.

Mr. ROSENTHAL. The next opportunity I have to do so, I will try to do so.

Mr. CRANE. Thank you.

Mr. ROSENTHAL. You will understand, of course, the door is not always open for me to make these repetitive complaints.

Mr. CRANE. Well, I think you have got an entry a lot of people are denied. I appreciate that, and thank you all for your testimony.

Chairman GIBBONS. Mr. Hamos, you are first.

STATEMENT OF LASZLO HAMOS, CHAIRMAN, COMMITTEE FOR HUMAN RIGHTS IN ROMANIA

Mr. HAMOS. Mr. Chairman, my name is Laszlo Hamos, and I am president of the Hungarian Human Rights Foundation, a nationwide nonprofit organization incorporated in New York State. The foundation is an outgrowth of the Committee for Human Rights in Romania, an organization which has, and continues to closely monitor the condition of human rights and the rights of national minorities in that country since 1976.

I am pleased that after a 3-year hiatus this subcommittee is again holding a hearing on most-favored-nation status for Romania. I am particularly impressed today by the thoroughness of the questioning here. However, after 10 years of witnessing Romanian Government deception and American acquiescence over the miserable fate of Romania's minorities, I harbor no illusions about the probable outcome of this proceeding. Nevertheless, the event in itself provides at least a forum for publicizing the atrocious and worsening human rights behavior of the Ceausescu regime, the campaign of terror against minority cultures, the cases of torture and intimidation of leading Hungarian cultural figures, the beating to death of priests, the mysterious hanging of a prominent Hungarian actor, the fact of Hungarian Bibles turned into toilet paper, and the many other tales of horror from that dark corner of the world, which is Romania.

Mr. **Crane.** Considering the size of the panel and the hour, if you could compress, if you will, extemporize your testimony. We have everyone's full statement, and they will be made part of the official record. We will try to get into some questions for the panel.

Mr. **Hamos.** I will try to do that and summarize what remaining notes I have.

What is particularly difficult for us to fathom, as U.S. citizens, is how you, the Members of Congress, can remain indifferent year after year to the cynical manipulative nature of official Romanian behavior in responding to U.S. concerns over human rights. The most recent illustration is classic: a dramatic, last minute announcement of the intention to resolve 1,000 emigration cases and to release one or two religious activists.

But there is an added feature to Romania's manipulation of the MFN renewal process which makes it particularly offensive to those of us concerned over the fate of that country's national minorities. Quite simply, it is that this process over a 10-year period has failed to produce even the token gestures, no matter how minimal or contrived, which have been extracted in the areas of religious liberty and freedom to emigrate. Instead of instituting the slightest improvement, the Ceausescu regime has felt free to intensify the program to assimilate the ethnic population. And yet while clearly increasing the pressure—erupting even more frequently into outright physical terror and documented cases of killings by the secret police—the regime has chosen the tactic of denying unequivocally and before every forum that a minority problem even exists.

And the sad and repugnant feature of this tactic is that it appears to have worked effectively to silence even expressions of concern over the issue by the State Department and this administration. The selective disregard of this particular issue is well illustrated by the very document this subcommittee is called upon to examine, that is the President's recommendation to continue trade waiver authority. While devoting one of its four pages to the question of religious freedoms and another half page to emigration, the document nowhere so much as mentions the drastic recent measures taken against Romania's national minorities—a matter which after all affects more than 3 million inhabitants of that country.

And is it small wonder—given such silence and acquiescence on the part of our own Government—that the Ceausescu regime feels emboldened to carry out such brutalities as, for example, the surreptitious hanging this January of the highly popular Hungarian actor, Arpad Visky.

In conclusion, Mr. Chairman, let me emphasize that our policy of indulging this brutal dictator can serve no vital American interest and contributes nothing to a better future for the peoples of Eastern Europe. On the other hand, it undermines our credibility and reveals the hypocritical nature of our own human rights pronouncements.

We should send a message to this despicable tyrant that the time is up. Such an act would comprise a far more powerful message of hope to the peoples of Eastern Europe than all of the contemptible kowtowing to Mr. Ceausescu over the past 10 years lumped into one.

Thank you, Mr. Chairman.

[The prepared statement follows:]

STATEMENT BY THE COMMITTEE FOR HUMAN RIGHTS IN RUMANIA

Mr. Chairman, my name is László Hámos, and I am president of the Hungarian Human Rights Foundation, a nationwide non-profit organization incorporated in New York State. The Foundation is an outgrowth of the Committee for Human Rights in Rumania, an organization which has, and continues to closely monitor the condition of human rights and the rights of national minorities in that country since 1976.

I am pleased, that after a three-year hiatus this Subcommittee is again holding a hearing on most favored nation status for Rumania. After ten years of witnessing Rumanian government deception and American acquiescence over the miserable fate of Rumania's minorities, I harbor no illusions about the probable outcome of this proceeding. Nevertheless, the event in itself provides at least a forum for publicizing the atrocious and worsening human rights behavior of the Ceausescu regime, the campaign of terror against minority cultures, the cases of torture and intimidation of leading Hungarian cultural figures, the beating to death of priests, the mysterious hanging of a prominent Hungarian actor, the fact of Hungarian Bibles turned into toilet paper, and the many other tales of horror from that dark corner of the world which is Rumania.

What is difficult to fathom, Mr. Chairman, is how you, the Members of Congress, can remain indifferent year after year to the cynical, manipulative nature of official Rumanian behavior in responding to U.S. concerns over human rights. The most recent illustration is classic: a dramatic last minute announcement of the intention to resolve 1,000 emigration cases and release one religious activist.

To us, as U.S. citizens, the sad and repugnant feature of this story, Mr. Chairman is that this charade appears to have been staged, once again, with the active cooperation, and quite possibly, at the instigation of our own State Department.

Otherwise, what business did Counselor Derwinski have in Bucharest to suddenly travel there just three weeks ago? Was it not to warn his old buddy President Ceausescu that the heat is on, time's up and he better come through. A thousand or so emigration cases would do just fine, thank you, especially if he could see his way clear and throw in a religious activist or two. Really, it's not the way we in the State Department prefer to do business, but this time a couple of Congressman have really stirred things up, and we have to find something to control the damage.

U.S. collusion with a scheming and sinister dictator, Mr. Chairman, bartering in human flesh, a cheap deal here, a quick fix there -- is this what the policy of disassociating ourselves from repressive regimes, and taking a firm stand on human rights, amounts to? Is this what was meant to be the fulfillment of the noble preamble to the Jackson-Vanik Amendment: "To assure the continued dedication of the United States to fundamental human rights . . ." ? I hardly believe so.

Mr. Chairman, there is an added feature to Rumania's manipulation of the MFN renewal process which makes it particularly offensive to those of us concerned over the fate of that country's national minorities. Quite simply, it is that this process, over a ten year period, has failed to produce even the token gestures — no matter how minimal or contrived — which have been extracted in the areas of religious liberties and freedom to emigrate. Instead of instituting the slightest improvement, in recent years the Ceausescu regime has felt free to sharply intensify the campaign to denationalize and forcibly assimilate the country's ethnic population. Yet, while clearly increasing the pressure — erupting ever more frequently into outright physical terror and documented cases of killings by the secret police -- the regime has also chosen the tactic of denying, unequivocably and before every forum, that a minority problem even exists.

Again, the sad and repugnant feature of this tactic is that it appears to have worked effectively to silence even expressions of concern over the issue by the State Department and this Administration. The selective disregard of this particular issue is well illustrated by the very document which this Subcommittee is called upon to examine: the President's recommendation to continue trade waiver authority for another twelve months. While devoting one of its four pages to the question of religious freedoms and another half page to emigration, the document nowhere so much as mentions the drastic measures taken against Rumania's national minorities -- a matter which affects more than three million inhabitants of that country.

Is it small wonder, given such silence and acquiescence on the part of our own government, that the Ceausescu regime feels emboldened to carry out such brutalities as, for example, the surreptitious hanging, this January, of the highly popular Hungarian actor Árpád Visky.

Thankfully, another myth propounded by the Rumanian government — its supposedly independent foreign policy — has begun to wear thin, even in the eyes of a once enthusiastic State Department. Clearly, Rumania's distinction in Eastern Europe does not lie in its foreign policy. Its distinction lies in being the only country in the region which has never undergone a process of de-Stalinization. It is a full-fledged Stalinist dictatorship, with the added feature of a pervasive nepotism on the part of the ruling dictator.

The central concern of my organization, as I have indicated, is the plight of Rumania's oppressed national minorities, among them 2.5 million Hungarians (the largest national minority in Europe), about 350,000 Germans, and sizeable numbers of Serbs, Turks, Ukrainians, Jews, Greeks and others. I want to emphasize, however, that those of Rumanian ethnicity also suffer gravely under this brutal regime. No citizen of Rumania — with the possible exception of some secret police and Party types — experiences any benefit from Mr. Ceausescu's policies. Indeed, outside of his large family and certain State Department officials, it would be difficult to find anyone pleased by those policies.

As a Stalinist dictatorship, the Rumanian government exercises total control over every facet of public and most aspects of private life. Until recently, however, Mr. Ceausescu seemed content to impose control over the minorities through methods short of overt physical violence. But during the last 3-4 years even this has changed. Since the late 1970's, as it became more and more apparent that the ultimate goal of the Ceausescu regime is the total elimination of minority cultures, determined leaders of the Hungarian minority began speaking out openly, both within the country and through the Western media. The official response, instead of instituting the moderate suggestions and long overdue reforms, was to impose still harsher measures and an ever-increasing physical terror in the form of beatings, disappearances and murders by the police. The final portions of my written statement describe several of these cases.

Mr. Chairman, I and members of my organization have spent ten years now investigating these abuses, collecting the evidence and presenting it to the Congress and State Department. While I have found sympathy in Congress, our State Department seems too enamored of Mr. Ceausescu to concern itself with matters as trifling as the forced denationalization of one sixth of all Hungarians in the world. Indeed, the manner in which the State Department has obstinately ignored the pleas of close to two million Hungarian-Americans is nothing less than contemptuous.

Mr. Ceausescu, in the meantime, has little to be concerned about as regards our stand on human rights. He has learned long ago that it simply is not to be taken seriously. The more brutal his policies, it seems, the less chance that we will react in any meaningful fashion. Indeed, one conclusion I have drawn from ten years of human rights work is that often our Congress and State Department are more likely to act in the case of a relatively mild human rights violation than in the case of a serious one. Everyone loves to write letters to secure a visa for a family visit. Or, when I was initially denied a visa to attend the Budapest Cultural Forum last October — an insignificant diplomatic foul-up — it was the talk of the relevant bureaus of the State Department and the Helsinki Commission for days. But I have yet to see one-tenth of that interest expended on the case of Father Géza Pálfi, the Hungarian Catholic priest in Rumania who was beaten to death because of a Christmas Eve sermon. It was a well documented outrage, even according to our then-Ambassador to Rumania. Or how about the notorious case of the 20,000 Hungarian Bibles recycled into toilet paper in Rumania, another set of facts which has been thoroughly documented. The evidence was presented at a press conference and a Senate hearing on Capitol Hill. The result? Uneasy silence. Why this odd reaction? Very simple. These cases are so outrageous, so sacrilegious, so violative of every norm of human decency that a simple insert into the Congressional Record would no longer do the trick. Everyone realizes that to react would require that we do something serious. Now, there is no thought more frightening than that: doing something serious about a human rights violation. Everyone knows that we are all for human rights, but strictly on a cost-free, bargain basement basis. No pain, please. If someone talks to us about 20,000 Bibles turned into toilet paper, we will listen, we will look stunned, we will shift around uncomfortably in our seats — and then let's change the subject.

Mr. Chairman, let me emphasize that our policy of indulging this primitive and brutal dictator serves no vital American interest and contributes nothing to a better future for the peoples of Eastern Europe. On the other hand, it undermines our credibility and reveals the hypocritical nature of our own human rights pronouncements. One last thought: The Ceausescu era is coming to an end. The tyrant is close to 70 years old and reportedly gravely ill. Change will probably follow his passing -- change probably for the better, because it is hard to see what could be worse for the inhabitants of Rumania. Why is it, Mr. Chairman, that we must always be identified with the old, the oppressive, the rotten, the corrupt? Why can't we break now with this despicable tyrant and, when change comes, be identified with that change? Such an act would send a far more powerful message of hope to the peoples of Eastern Europe than all the contemptible kowtowing to Mr. Ceausescu over the past ten years lumped into one.

Thank you, Mr. Chairman.

Newest Official Anti-Minority Measures

The state of Rumania contains an immense minority population consisting of 2.5 million Hungarians, 350,000 Germans and a sizeable number of Ukranians, Jews, Serbs, Greeks, Turks and others. The Hungarians alone comprise the largest national minority in Europe. Most of these peoples live in Transylvania which is one of Europe's most significant multi-ethnic regions. Were enlightened 20th Century standards applied, Transylvania could be a model for the coexistence of diverse nationalities in an atmosphere of mutual tolerance and understanding. However, under the rule of Rumania's dictator Nicolae Ceausescu, nothing could be further from the truth.

For the past three decades, this enormous minority population has been the object of a carefully planned, systematic and aggressive campaign of forced assimilation -- a campaign which amounts to cultural genocide. This outrage must be borne in addition to the usual intolerance and terror which affects the life of every citizen of a Communist state, regardless of ethnic origin.

During the 1980's, faced with popular discontent resulting from sharply deteriorating economic conditions, the Ceausescu regime has intensified the appeals to chauvinistic sentiment. Instead of instituting long overdue reforms, the government actively propounds the myth of Rumanian cultural superiority, hoping in this way to deflect criticism and salvage some measure of national cohesion. The precise details of this campaign have been presented by our organization in over 1,000 pages of printed testimony before various Congressional committees during the past ten years.

During the past twelve months, the relentless campaign by Rumanian authorities to force the assimilation of the 2.5 million Hungarians of Transylvania has noticeably intensified. Following the notorious model the Soviet Union created in devouring the Baltic countries, Rumania is pressing ahead with its campaign to destroy the educational, cultural and minority-language institutions of the ethnic Hungarian communities. It is undermining the little that remains of minority-language schooling, theaters and churches, and eliminating opportunities in publishing, radio, television and other areas of cultural expression; it is driving the ethnic intelligentsia and leaders into effective internal exile; it is engaging in unlawful population transfers, and is resorting to harassment of individuals and even to bloody violence.

Police-State Cruelty

The case of the prominent Transylvanian-Hungarian actor Árpád Visky typifies how state secret police ("Securitate") agents deal with dissidents. On several occasions, Visky had dared to comment in public on the arbitrary conduct of Rumanian state security personnel, as well as the general terror prevailing in Rumania. On January 5, 1986, Visky's body was found in a forest outside the town of Sfintul Gheorghe (Sepsiszentgyörgy), where he had been hanged. The circumstances of his death are highly suspicious. According to sources in Sfintul Gheorghe, "Árpád Visky's body was found by the local police in a rarely-traveled, remote region of the forest, and, still more dubious, in the opinion of the medical examiner it was found minutes after the onset of death" (Hungarian Press of Transylvania (hereinafter "HPT") Release No. 4/1986). Earlier (as reported by our organization in Congressional testimony in 1983, 1984 and 1985), Visky had been tried by a military tribunal in a closed trial and sentenced to five years in prison on false charges of spreading "hostile propaganda." International protest freed him after eighteen months in prison, and before his death he spoke of plans to emigrate to

Hungary (ibid.). Official efforts to explain Visky's death as a suicide have been rejected by all who knew the actor. A friend of his has released the transcript of his telephone conversation with Visky on the eve of the actor's death. "Those jerks," said Visky, referring to the secret police, "they're all over me. I can't even buy a pack of cigarettes without them. They pick fights with me . . . Those guys even said my days are numbered. Is this what we've come to? . . . They're there to provoke us . . . And if you react, they'll 'liquidate' you in an instant . . ." (HPT Release No. 11/1986)

Surely, a Congress and an Administration which purport to hold Rumania's human rights behavior as a major condition for extension of Most Favored Nation status should take vigorous steps to investigate this tragedy. How many more acts of barbaric killing, how many more secret police murders like that of the Hungarian Catholic priest Father Géza Pálfi in early 1984, are necessary to produce genuine concern, backed by a willingness to impose sanctions, by our government? Simple human decency, if not the enormous economic and political leverage the U.S. government bears over the tin-pot dictator Nicolae Ceausescu, would warrant a firm response. At the very least, our government should support and facilitate the demand made by scores of world-renowned writers who, upon hearing of this tragedy during the recent International PEN Congress held in New York, quickly signed a Declaration, which, while deploring the death of Árpád Visky and another helpless victim (the Rumanian engineer and poet Gheorghe Ursu), calls upon the Rumanian authorities "to allow an impartial, on-site inquiry into the causes of each death by an internationally recognized human rights group." For our government to do anything less, for it to remain disinterested and unmoved while continuing to blithely reward Rumania with trade and political favors, would amount to a mockery of the moral and democratic principles upon which our country was built.

The imperative to act is all the more pressing, since the above-reported cases are not isolated incidents, but part of a pattern of increasingly brazen and vicious behavior by Rumanian authorities. Father János Csilik, 29, is one of a number of Roman Catholic priests who have been terrorized recently. Between March and May 1985, he was interrogated repeatedly by Securitate agents in Oradea (Nagyvárad) and pressured to work as a police informer. When he refused to collaborate, he was "beaten with clubs" so severely that he was rendered "unable to use his hands for several weeks" ("Ethnic Hungarian Catholic Maltreated in Rumania," Associated Press, Vienna, August 28, 1985; "Rumanian Police Beat Priest, Catholic Agency Says," Reuter, Vienna, August 28, 1985; "Hungarian Priest in Rumania Mistreated," Süddeutsche Zeitung, Munich, August 30, 1985). After his case was reported in the West, other priests were rounded up in Oradea and ordered to write letters to Radio Free Europe and the Vatican, denying the facts in Rev. Csilik's case. When one of the ministers refused, "he was told that he would have his head smashed into pieces on the heating radiator if he continued to resist" (HPT Release No. 76/1985). The repression did not stop there. Father Csilik was suspended from his ministry after reports about his mistreatment reached the West, and was reassigned to an area where he would be isolated from his former church district. His punishment was meant to serve as an example for any of his colleagues with nonconformist ideas. (HPT Release No. 82/1985)

On July 28, 1985, György Barkó, another Hungarian actor from Sfintul Gheorghe, was beaten so badly by police that he suffered broken hands, several broken bones and a severe concussion, and lay for a week in a coma in a hospital (HPT Release No. 57/1985). Before letting him see a doctor, Barkó was forced to sign a false statement that "his injuries were the result of an accident and that he was grateful to the police for carrying him immediately to the hospital." Officials later cited the statement in rejecting requests for an investigation. (HPT Release No. 60/1985)

Béla Páll, a Hungarian mathematics teacher unjustly imprisoned since April 1983, has reportedly been driven insane while confined to the psychiatric ward of the political prison in Jilava, near Bucharest (HPT Release No. 75/1985). According to its annual report for 1985 (p. 281): "Amnesty International received allegations that Béla Páll was convicted because he had written a letter to Rumanian radio and television asking for more programs in Hungarian, and because in early 1983 he had attended the funeral of Gyula Illyés, a famous Hungarian poet who had protested just before his death at the plight of the Hungarian minority in Rumania." The organization also reported that it "sought further information about the charges against Béla Páll" — apparently without success. Similarly, Amnesty International "continued to ask for details of the charges against two other ethnic Hungarians: László Buzás, an economist, and Ernő Borbély, a high school teacher, who were reportedly arrested in November 1982 (see Amnesty International Report 1984)" (ibid.).

Béla Páll has languished in prison, without valid cause, for 38 months now, László Buzás and Ernő Borbély for more than three and one-half years. Along with others, our organization has raised their cases at every conceivable forum, including six Congressional hearings during the past three years, the U.S.-Rumanian Human Rights Roundtable in Washington (February 27-29, 1984), the Ottawa Human Rights Experts' Meeting (May-June, 1985), the Budapest Cultural Forum (October-November, 1985), the Bern Human Contacts Experts' Meeting (April-May, 1986) and in countless other communications and discussions with State Department personnel. And the result of all this effort? Not so much as the courtesy of even a single reply by our "most favored" friends, the Rumanian regime. Clearly, the time has come for Congress to exert real pressure for answers.

Even ordinary people do not escape beatings and robbery at the hands of the secret police. In one particularly vicious incident last year, Zoltán Oláh, who legitimately had bought a kilogram of coffee in a dollar store on a money order from his U.S. relatives, was beaten to death over his purchase. The police claimed to suspect -- without ever presenting any proof -- that the coffee "may become the object of black marketeering." Eyewitnesses reported severe facial injuries to the victim, who was 55 years old. (HPT Release No. 71/1985)

According to corroborated reports, Rumania's secret police (the "Securitate") do not refrain even from openly looting the population. In the Moldavian town of Bacau (Bákó), for example, local police beat up Csángó-Hungarian women and confiscated their money and other belongings. There have even been cases of authorities mugging foreign visitors. (HPT Release No. 71/1985)

Highway robbery systematically perpetrated by authorities has been common against Csángó-Hungarians, who live in Moldavia, isolated from their ethnic brethren. Such activity has recently spread to the core area of Transylvania, especially around Cluj (Kolozsvár), where workers and students mustered to participate in the fall harvests have been stopped for identification checks and then stripped of all provisions. (HPT Release No. 83/1985)

Intimidation of Minority Intellectuals

In response to increased harassment of minorities by the authorities, a "citizens' defense" movement in Cluj (Kolozsvár) distributed several hundred letters containing information about human, civil and constitutional rights and the legal means of protest. The movement's leaders, József Felméri, Miklós Kulin and István Papp, were rounded up last July and interrogated and beaten for more than a week, "only as a warning" (HPT Release No. 50/1985; "Repression in Transylvania Worsens following Leafleteering," Die Presse, Vienna, July 19, 1985; "Members of Hungarian Minority Reported Detained in Rumania," Agence France Presse, Vienna, July 18, 1985).

Physical maltreatment is supplemented by other forms of harassment, particularly against intellectuals and their families. The relatives of Mrs. István Csibi have been held accountable by Ditrau (Ditró) police for the posthumous publication of her autobiography in Budapest last year. The book, which is an apolitical testament to ethnic Hungarian folk art and the predicament of Transylvanian peasantry, is regularly confiscated by Rumanian border guards. (HPT Release No. 56/1986)

In October 1985, searches took place at the homes of András Visky, a Satu Mare (Szatmárnémeti) engineer, poet Géza Szőcs, professor Éva Cs. Gyímesi and Zoltán Wrábel -- all three residents of Cluj (Kolozsvár). Manuscripts and letters were confiscated. These steps were apparently taken to prevent these people from sending memoranda to the Budapest Cultural Forum held last fall. ("Police Searches in Rumania," Agence France Presse, Vienna, Oct. 9, 1985; "Rumanian Secret Police Initiate Campaign of Intimidation in Transylvania before Opening Session of Budapest Cultural Forum," Agence France Presse, Budapest, Oct. 11, 1985; HPT Release No. 78/1985.)

Despite the harassment, Szőcs was able to send a letter to the Budapest conference (later quoted in a Wall Street Journal editorial, "Post-Summit Sentiments," dated November 27, 1985). On January 14 of this year, numerous intellectuals, including Szőcs and music teacher Marius Tabacu, were again interrogated in Cluj, in sessions lasting eight hours, this time to prevent the sending of a memorandum to the International PEN Congress in New York (HPT Release No. 3/1986). The Securitate subsequently informed Szőcs that politically and personally he was finished in Rumania and that "in the interest of his own safety he had best leave the country." (HPT Release No. 9/1986; "Reports Say Szőcs May Be Allowed to West," Agence France Presse, Vienna, February 20, 1986). At the same time, Szőcs, one of the most outstanding Transylvanian-Hungarian literary figures, has been prevented from leaving until he "reimburses" the state for the costs of his infant child's education through adulthood.

The increased circulation of Hungarian dissident material in Transylvania and the Banat in western Rumania has caused officials to begin enforcing a 1983 law requiring the registration of typewriters ("Rumania Puts Lock on Dissident Typewriters," The Times, London, February 4, 1986). A particularly bizarre display of official paranoia was the search held at the home of György Bözödi, a renowned Transylvanian-Hungarian sociographer and writer, for a book published before the second World War (HPT Release No. 87/1985). House searches are used not so much to seek "evidence" but to intimidate and humiliate. In early March in Tirgu Mures (Marosvásárhely), Dr. Pál Doczi, a professor of medicine, and Dr. József Spillman, a medical historian — both of them ethnic Hungarian scientists with international reputations -- were subjected to intensive house searches. While nothing incriminating was found, by this act the authorities clearly signaled their intention to push the professors into early retirement or forced exile, in order to begin the process of terminating Hungarian-language instruction at the Institute of Medicine and Pharmacology in Tirgu Mures (Marosvásárhely). The government gave further evidence of this intention by ordering the elimination at the school, at considerable expense, of all visual aids bearing notations in Hungarian (HPT Release No. 12/1986; "Poverty Grows and Repression of Hungarian Minority Worsens in Rumania," Frankfurter Allgemeine Zeitung, April 26, 1986).

Disaffection with the regime has spread deep and wide in Rumania. István Hosszú, a Hungarian miner who took part in the 1977 mineworkers strike in the Jiu Valley, is one of those who no longer found it possible to continue accepting the systematic violation of his basic human rights. In a statement addressed to the U.S. Congress, Hosszú boldly protests the manifestations of state terror in Rumania and requests permission for himself, his wife and their three children to emigrate to the United States. Hosszú's statement contains a revealing look at the Rumanian government's brutal methods for intimidating strikers and subverting their demands: Reforms promised by high-ranking government spokesmen, and accepted by miners as the condition for calling off their strike in 1977, were later conveniently "forgotten." At the same time, two of the strike leaders (named by Hosszú) were murdered, and thousands of miners (including Hosszú) were forcibly resettled to remote areas. In his protest memorandum, Hosszú details additional grievances, including the corruption of trade unions for the political aims of the Rumanian Communist Party, and the pervasive intrusion of the political police into the everyday lives of Rumanian citizens. He concludes by calling upon the U.S. to openly express its concern for the defenseless national minorities. (HPT Release Nos. 14/1986 and 21/1986)

The fate of István Hosszú following the issuance of his protest memorandum is typical of the Rumanian authorities' reaction to legitimate criticism. Since late May, Hosszú has been placed under house arrest, subjected to daily interrogations and told that charges will be brought against him — wholly fabricated — that he tried to set fire to a hotel in the town of Szováta.

Coerced Population Transfers

The population of Cluj (Kolozs) County includes 350,000 Hungarians, but is allotted only 22 Hungarian doctors (HPT Release No. 95/1985). Yet, the noted Transylvanian-Hungarian poet Sándor Kányádi was summoned by the district attorney because he had submitted a petition against assigning Hungarian university graduates to work in remote regions of the country, far from their roots, when there is a shortage of such professionals in Hungarian-inhabited areas of Transylvania (HPT Release No. 77/1985). On December 20, 1985, Kányádi reportedly suffered a heart attack (HPT Release No. 103/1985).

In cases where Hungarian university graduates refuse distant employment assignments, they find themselves not only harassed but unable to find work doing even menial labor (HPT Release No. 72/1985). Meanwhile, new Rumanian settlements are being established in solidly Hungarian populated regions under various pretenses. In July 1985, for instance, the first Transylvanian youth work camp was opened in the County of Bihor (Bihar). Construction of permanent residences began almost immediately for the approximately 1,500 ethnic Rumanian youth who had been resettled there from regions outside Transylvania. (HPT Release No. 63/1985)

Religious Persecution

Minority churches, long the guardians of cultural tradition, are a special government target, as illustrated by the now-infamous incident of 20,000 Bibles intended for Transylvania's Protestant Hungarian minority, which were instead distributed to them in the form of toilet paper (as reported in The Wall Street Journal, June 14, 1985; Time, June 17, 1985; and other major newspapers throughout the world). An ongoing, more underhanded tactic by the authorities is to systematically confiscate church documents, among them pre-1920 birth registers, removing irreplaceable evidence of minority population history. The government decree ordering the confiscations was protested by the late Dr. István Juhász, professor of theology, as "offending the right of the Hungarians of Transylvania and of the Reformed Church to a past, even though the right to a past is an integral part of human rights in general" (HPT Release No. 54/1985).

The number of Hungarian ministers is being reduced, and church bodies such as the synod are used, through the cooperation of state-appointed church officials, as implements of pressure against minorities (HPT Release No. 51/1985). "The hierarchy of the Transylvanian Hungarian Reformed Church is constrained to take retaliatory measures against those ministers who do not conform to government policies" (Antoine de Gerando, "Minorities in Rumania: A Worsening Situation," Reforme, Paris, May 4, 1985). To effect the curbs, authorities have cut the number of Hungarian Protestant ministers being trained. The theological seminary had six freshmen in 1985, in contrast to 40-50 in earlier years, even though there are currently at least 100 ministerial vacancies in the Hungarian Reformed Church parishes alone. (HPT Release No. 73/1985)

Bucharest has effectively manipulated organizations of the Hungarian Reformed Church in Transylvania by promoting the government's own trusted men. For example, Dániel Nagy who in the 1970s "proved himself" by willingly replacing a dissident minister who had been dismissed, was elected as dean at Odorheiu Secuiesc (Székelyudvarhely) with the aid of 20 forged ballots. Although appeals in the Spring of 1985 led to the invalidation of the election, Nagy nevertheless continues to function as dean. (HPT Release Nos. 51/1985 and 96/1985)

Those who cannot be coopted are demoted. The Rev. László Tőkés, for instance, wrote a letter protesting certain discriminatory actions against his church and was dismissed from his ministry. Bishop Gyula Nagy threatened to hand him over to the police if he did not stay away from the Kolozsvár Theological Seminary. Official retaliation for the protest by the assistant clergyman at Dej (Dés) also included restrictions on sermons, the banning of a theological student reunion, and disciplinary excesses. László Tőkes has been out of work for more than two years, despite strong support for him by the members of his church. Recent promises for reassignment to Timisoara (Temesvár) in Transylvania are contradicted by the assignment of Tőkés's wife, a teacher, to a remote region of Rumania. (HPT Release Nos. 59/1985 and 20/1986)

The Rev. István Tőkés, László's father and a former professor of theology, deputy bishop of the Cluj (Kolozs) County bishopric and editor-in-chief of its official publication, was forced into early retirement by Bishop Gyula Nagy (who, incidentally, is ten years older than Rev. Tőkés). In an April 4, 1986 letter, the elder Tőkés summarized his son's and his own cases and the autocratic rule characterized by the above-mentioned examples that is seriously threatening the very life of the Hungarian Reformed Church. (HPT Release No. 20/1986)

The Rumanian government, in an unnecessarily vengeful act, prevented the Hungarian Catholic Bishop Antal Jakab, who ecclesiastically represents a million Hungarians, from participating in the Second Special Synod in the Vatican (HPT Release No. 92/1985). The action was part of an ongoing campaign to eliminate the Catholic diocese of Alba Iulia (Gyulafehérvár) and join it to the Bucharest diocese. As a result, the 200,000-strong Hungarian Csángó community would lose an important source of support. (HPT Release No. 58/1985)

The Csángós, numbering 120,000, are a particularly resilient and spirited Hungarian ethnic community. They and people traveling to their isolated region are continually harassed, and their region in Moldavia has been sealed off by the police (HPT Release Nos. 67/1985 and 83/1985). The Csángós are depicted in government propaganda -- in what would be a comical effort, were it not for its Machiavellian intent — as being Rumanians despite the fact that their language is Hungarian and they consider themselves Hungarians (HPT Release No. 58/1985).

War on the Hungarian Language

Rumanian officials believe that if the use of Hungarian were stopped, the minority-rights problem would fade into history. Thus, Rumanian is promoted at the expense of minority languages. Hungarian-language radio, for instance, in 1981 aired 6-1/2 hours a day, but in 1985 just 1/4 hour. Hungarian-language television in 1981 was on the air 2.7 hours; in 1985, zero (HPT Release No. 62/1985). Punishment of six months' forced labor is prescribed for watching television broadcasts from neighboring Hungary or for distributing written transcripts of such broadcasts. "Chauvinistic attitude" and "promotion of chauvinism" are commonly the charges. (HPT Release No. 64/1985)

Measures in the second half of 1985 were issued to prohibit the use of Hungarian, German or Serbian in open forums, such as public gatherings, regardless of whether Rumanians are present. Teachers of any age in Hungarian primary schools must enroll in Rumanian language courses. (HPT Release No. 68/1985)

In their war on Hungarian culture, authorities in Cluj (Kolozsvár) have attempted to intimidate the Hungarian theater's actors by charging them with nationalism, simply because they performed in Hungarian. In Spring 1985, not one Hungarian play was performed at the Hungarian Theater in Cluj (Kolozsvár). (HPT Release No. 65/1985)

The campaign extends to publications and publishers as well. In its most recent measure, the government abolished the Hungarian cultural periodical *Művelődés* (HPT Release Nos. 81/1985 and 101/1985). As with a similar German-language cultural publication, *Művelődés*'s articles now appear as supplements to the Rumanian-language publication *Cintarea Romaniei* ("We Praise Rumania") ("Nation and Culture: Rumanianized," *Die Welt*, Munich, February 27, 1986). In another move, the Rumanian publishing house Facla in Timisoara (Temesvár) has been closed to Hungarian works (HPT Release No. 91/1985).

Restrictions on Human Contacts

The Rumanian government is not stopping at the border in its battle against Hungarians. According to well-founded sources, during the first seven months of 1985 more than 3,000 citizens of Hungary were refused permission by Rumanian authorities to visit relatives in Transylvania ("Visiting Hungarians Refused Entry," *Agence France Presse*, Vienna, August 1, 1985; Robert Stamm, "Increasing Pressure on Minorities in Rumania: Travel Impeded for Hungarians," *Neue Zürcher Zeitung*, Zurich, August 19, 1985).

Increased delays and systematic harassment of Hungarians seeking to cross the border into Rumania have prompted even the official Hungarian press to respond ("Hungary Publicly Airs Complaints about Rumania," *Reuter*, Vienna, July 26, 1985; Carl Gustaf Ströhm, "Hungary Deplores Border Restrictions," *Die Welt*, Munich, July 1985). Nevertheless, an internal directive, effective January 1, 1986, prohibits *all* individual tourist travel between Hungary and Rumania and is presently being implemented by Rumanian border guards. Under the new regulation, only organized bus tours are permitted and only on a strictly reciprocal basis (Rumanian authorities allow only as many Hungarians into the country as the number, authorized by them, to travel to Hungary). (HPT Release No. 90/1985)

The Transylvanian-Hungarian playwright *András Sütő*, an intellectual held in the highest esteem by Hungarians throughout the world, was prevented from going to Hungary to attend the premier of his newest play scheduled for last December 20. Under an obscure copyright regulation, Bucharest tried to persuade Budapest to cancel, but only managed to delay, the opening night performance. ("Freedom of Art in Rumania," *Die Presse*, Vienna, December 18, 1985; HPT Release Nos. 84/1985 and 98/1985)

In 1974, Decree/Law 225 imposed a total ban, which continues to the present day, on the accomodation of all foreign visitors, except immediate relatives, in private homes. Decree/Law 408 issued in January 1986, however, prohibits even *the holding of conversations* with foreign visitors in private homes. Instead, meetings must be held at locations designated by State Security officials, permission must be requested in advance, and a detailed report of the conversation must be submitted to the authorities. (HPT Release No. 10/1986) Those foreign visitors not easily deterred must take their chances, it seems, with Interior Ministry agents who provoke incidents by molesting women and damaging private autos, and who, according to one account from Tirgu Mures (Marosvasarhely), used a car to chase and run down a tourist (HPT Release No. 66/1985).

Western visitors are increasingly put out to mistreatment by Rumanian authorities, as demonstrated by the case of a visiting Canadian citizen, Gábor Boros, last summer. For the simple act of taking photographs of people leaving a Hungarian church service, Mr. Boros "was beaten and detained for a day by Rumanian militia . . . a militia member choked him, threw his arm against a wall, and searched him for no apparent reason." After confiscating his passport, driver's license and other identification, police questioned him for several hours, and he was only allowed to leave the next day. (Daniel Kucharsky, "Teacher Says Militia Beat Him during Holiday in Transylvania," *The Gazette*, Montreal, August 21, 1985)

Schools as the Main Target

Most pernicious in Bucharest's assimilation campaign are the measures against minority-language schooling in the Hungarian regions ("Repression of Hungarians in Rumania," *Neue Zürcher Zeitung*, Zurich, September 10, 1985). Even at the predominantly Hungarian University of Cluj (Kolozsvár) and at the Institute of Medical Science and Pharmacology in Tirgu Mures (Marosvásárhely), minority-language admission tests were recently eliminated and they are now administered in Rumanian only. After 200 protest petitions were presented, the old requirement was replaced with a new one of "political reliability." As a result, those who exhibit "nationalism" by requesting the admission test in Hungarian are ousted at the "pre-selection" stage. (HPT Release No. 49/1985)

Two years ago the Ceausescu regime openly proclaimed its intention to eliminate Hungarian-language instruction. Last year in Kovászna and Hargita Counties, which are 85% to 90% Hungarian-inhabited, all remaining Hungarian schools were closed. The method being applied there, and used with dismaying success elsewhere, is to introduce more and more Rumanian classes each year until Hungarian is entirely squeezed out. According to a reliable account, entire classes of Rumanian children have been transferred to the above-mentioned areas from Neamt County, outside Transylvania. (HPT Release No. 69/1985)

Minority educational opportunities are obstructed at every corner. Authorities, for example, cut Hungarian day school enrollment in Satu Mare (Szatmár) and instead increased numbers in the inferior evening classes. The Hungarian-language mathematics/physics class was transferred to a Rumanian high school without explanation. Officials at the local level as well as in Bucharest ignored or dismissed the parents' protests with threats of retaliation. (HPT Release Nos. 52/1985 and 69/1985) In Oradea (Nagyvárad), only four Hungarian classes were authorized (a decrease from six the previous year) at High School No. 5 for the 1985/86 school year. In a typically underhanded ploy, city education officials had encouraged Hungarian students to change their enrollment from High School No. 5 to High School No. 1 — where, however, the three "planned" Hungarian classes were subsequently canceled. (HPT Release No. 53/1985)

In 1985 a complete phaseout of the Hungarian segment of bilingual education was ordered in Maramures (Máramaros) County. The deputy superintendent of schools declared a "death sentence" on Hungarian instruction and ominously warned that protests would only serve to make a pedagogical matter into a matter for the police. Bihor (Bihar) County went so far as to order that even in Hungarian-language classes the study hour, meetings of the Communist youth organization and all other extracurricular activities must take place in Rumanian only. (HPT Release Nos. 55/1985 and 79/1985)

According to a central directive, major subjects such as politics, ethics and civics must be taught in Rumanian even in Hungarian-language classrooms. Posters in schools can be worded only in Rumanian, and pictures can depict only Rumanian historical personalities. Teachers' lesson plans and reports must be written in Rumanian. (HPT Release No. 102/1985)

Another government tactic is to not employ Hungarian teachers in Hungarian areas, even if Hungarian is their primary field, but instead to send them to teach their secondary field in remote regions of the country (HPT Release No. 102/1985). At the same time, Rumanian teachers are brought in to fill the vacancies in Hungarian areas. Young Rumanian teachers themselves are often surprised by such assignments (HPT Release No. 70/1985). For example, in the predominantly Hungarian Covasna (Kovászna) County, 102 new Rumanian and seven new Hungarian teachers were appointed; in Harghita (Hargita) County the ratio was 115 to 8, and in Odorheiu Secuiesc (Székelyudvarhely), 25 to 2 (HPT Release No. 102/1985).

Increasingly, Hungarian-speaking pupils are assigned to Rumanian-language classes, while Rumanian-speaking teachers take over Hungarian classes. In Odorheiu

Secuiesc (Székelyudvarhely), where classrooms are filled by Hungarian students, Rumanian teachers teach all subjects except Hungarian. In Hargita County, in the purely Hungarian village of Ditrau (Ditró) a new 11th grade class held in Hungarian was permitted only after a parallel Rumanian-language class was formed. The latter is filled mostly by Hungarian students, plus the one or two children of Rumanian functionaries assigned to the village. (ibid.)

Over the past two years, the last three purely Hungarian high schools in Cluj (Kolozsvár) were transformed, one by one, into mixed-language schools. Beginning at the elementary level, Hungarian children must study Rumanian history without receiving any information regarding Hungarian culture and civilization, which have existed in Transylvania for a thousand years. (HPT Release No. 88/1985)

At the University of Cluj (Kolozsvár), the traditional practice in teacher education of pairing modern languages such as English and French with Hungarian was ended. Applicants for such studies were automatically assigned to study Hungarian/Rumanian. The aim is to settle such graduates in Rumanian areas, and at the same time to deprive the Hungarian minority of its intellectuals. (HPT Release No. 85/1985)

Programs for Hungarians are often simply terminated. Last Fall, for example, Hungarian classes at the Cluj (Kolozsvár) Hungarian Music Academy were eliminated at the lower level. The classes had been the only completely Hungarian music classes in the country, and their elimination signals the end, within three years, of Hungarian music instruction at the Academy. (HPT Release No. 84/1985) Similarly, at the Groza Lyceum, the Hungarian textile industry class was simply discontinued (HPT Release No. 102/1985). According to recent reports, this trend is expected to continue with the enactment and implementation of a new law on education which will limit any teaching in the minority languages to the elementary school level. In higher grades, language and literature in minority tongues will be allowed only by special permission of the Ministry of Education. As the first step toward implementation of the new law, Hungarian secondary school textbooks reportedly have already been removed from print. (HPT Release No. 7/1986)

The anti-Hungarian drive is also noticeable at leadership levels. The number of Hungarian education administrators is being reduced, both in public schools and adult education, and is replaced by Rumanian ones. For example, in the 80% Hungarian-populated Hargita County nearly all education leaders were replaced by Rumanians. In the 95% Hungarian-populated Odorheiu Secuiesc (Székelyudvarhely), the knowledgeable and enthusiastic Gyula Szép was replaced as head of the town's cultural center by a Rumanian national. For the Hungarian minority, even "numerus clausus" is of the past, and "numerus nullus" is the grim reality (HPT Release No. 102/1985).

Minorities have traditionally been underrepresented in any state or party organ having an effective role in matters affecting their own interests. In the most recent elections to the showcase Grand National Assembly, even the semblance of proportional representation was eliminated by Ceausescu-style gerrymandering. Minority deputies not only lost seats, but were allowed to run as candidates primarily in areas not populated by their own ethnic groups. (Radio Free Europe Situation Report, No. 8/1985, May 14, 1985 pp. 3-4)

Conclusion

Though seemingly random, the various acts described above (and many more which could be cited) are linked together by a common element: the single-minded, driving purpose of the Ceausescu regime to expunge Rumania of the culture, history, traditions and religious life of national minorities. Though victimized for decades by discriminatory government policies, minority citizens today are the focus of persecution, and an atmosphere of sheer physical terror, to an unprecedented extent — and the regime shows no signs of even acknowledging, much less letting up the pressure. The United States, a country which prides itself in respect for the value of cultural diversity, must no longer allow itself to be seen as legitimizing the repugnant, assimilationist policies of the Rumanian government. Suspension or termination of Rumania's most favored nation status would accomplish exactly that purpose.

Mr. **Crane**. Thank you, Mr. Hamos.

Is it Ms. or Mrs. Jeri Laber?

STATEMENT OF JERI LABER, EXECUTIVE DIRECTOR, HELSINKI WATCH COMMITTEE

Ms. **Laber**. Ms. Jeri Laber. My name is Jeri Laber, and I am the executive director of the Helsinki Watch Committee, a human rights organization that monitors the 1975 Helsinki accords.

In the past weeks we have learned about a number of developments in Romania. I will not go into them here. They have been mentioned numerous times by others today.

Although these gestures are clearly timed to influence the renewal of Romania's most-favored-nation status, the Romanian Government's actions, unlike those in previous years, seem to be more than simply token gestures. They reflect the fact that the MFN process is working.

The Romanian Government is to be congratulated for facilitating the emigration of over 1,000 individuals and for releasing some prisoners of conscience in whose cases we have had a continuing interest.

It is our hope that such actions will be continued forward throughout the year and not just at MFN time.

Listening to the testimony today, it seems to me that we are all, or at least most of us, seeking the same end, to improve the human rights situation in Romania. The question is how. And these discussions about continuing MFN have, it seems, become a process to which Romanian authorities must pay heed.

In February of this year, in testimony before the Senate Foreign Relations Committee, Helsinki Watch proposed a suspension of Romania's MFN status for a period of 6 months, to be followed by a re-evaluation. I see no reason to change our recommendation at this time.

The recent gestures by the Romanian Government indicate the effectiveness of the MFN review process. Moreover, the written testimony that we have submitted today indicates that human rights problems in Romania are of such great magnitude that significant change cannot occur overnight.

I refer not only to the deplorable persecution of religious believers, but to the denial of freedom of expression, freedom of movement, freedom of religion, workers rights, minority rights, and the right to privacy.

Helsinki Watch asks specifically that Romania:

One, cease interrogating and harassing Romanian citizens who have contacts with foreigners and repeal legislation aimed at preventing such contact;

Two, remove restrictions on religious freedom, including restrictions on religious education and literature;

Three, ease emigration rules and cease the extra legal persecution of prospective emigrants;

Four, remove restrictions on Hungarian schools and universities, and other measures aimed at suppressing the cultural identity of the Hungarian minority in Romania;

Five, eliminate discrimination against elderly people with regard to medical treatment and other public services; and

Six, permit independent human rights fact-finding missions to visit Romania in order to verify any steps taken to improve the human rights situation there.

In none of these areas, with the possible exception of some recent moves to facilitate some emigration, has the Romanian Government made any significant changes.

Mr. Chairman, Helsinki Watch has wanted to send a fact-finding mission to Romania for several years. We were in fact invited to visit Romania in the spring of 1983, shortly before the MFN hearings. The invitation, however, was accompanied by a request to refrain from publishing a report on human rights in Romania until after the 1983 MFN hearings.

We issued our report and testified. Subsequently, when we attempted to pursue the invitation to visit Romania, we were told that the invitation was no longer open.

Our most recent request to visit Romania was made in a letter from our chairman to Ambassador Nicolae Gavrilescu on May 6, 1986. We have not as yet received a response.

We therefore ask your assistance in making it possible for us to send a mission to Romania to meet with Romanian officials and with private citizens on human rights matters. We urge you to encourage Romanian officials to allow Helsinki Watch and other independent human rights groups to visit Romania.

Thank you.

Mr. **Crane**. Thank you.

[The prepared statement follows:]

HELSINKI WATCH

U.S. CITIZENS COMMITTEE TO MONITOR THE HELSINKI ACCORDS
KOMITEE DER U.S. BURGER ZUR EINHALTUNG DER HELSINKI VERTRAGE
COMITATO DEI CITTADINI DEGLI S.U.A. PER IL CONTROLLO DEGLI ACCORDI HELSINKI
COMITÉ DES CITOYENS DES E.U. POUR LA SURVEILLANCE DES ACCORDS D'HELSINKI
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Human Rights in Romania

Testimony of Jeri Laber

Before the Ways and Means Subcommittee on Trade of the House of Representatives

June 10, 1986

My name is Jeri Laber. I am the Executive Director of the U.S. Helsinki Watch Committee. Our organization monitors compliance with the human rights provisions of the 1975 Helsinki Final Act.

Helsinki Watch has issued reports on Romania since 1981 and has testified regularly at Congressional MFN hearings on Romania since 1983. Until May of 1985 our recommendation did not vary: despite gross and continuing human rights abuse in Romania, we urged that MFN be continued as the only means of leverage available to the United States in trying to bring about human rights improvement in Romania.

Last July, having watched the human rights situation in Romania continue its decline into unremitting misery for the majority of Romanian citizens, we changed our recommendation. In written testimony submitted to the Finance Committee of the U.S Senate on July 23, 1985, we called on the U.S. government to end Most Favored Nation status for Romania.

This year the situation is different, and we have been forced to reconsider our position. Indignation at Romania's human rights violations has been growing in the United States and there are a number of bills on Romania, some calling for an end to MFN, now pending in Congress. The repeal of Romania's Most Favored Nation status no longer seems an unrealizable threat.

Quite frankly, members of Helsinki Watch find themselves in a quandary *vis a vis* MFN and Romania. On the one hand, Romania remains one of the most closed societies and egregious offenders of human rights in

Helsinki Watch is affiliated with the Fund for Free Expression, Americas Watch and Asia Watch
The Lawyers Committee for Human Rights is Counsel for Helsinki Watch.
Helsinki Watch is a founding member of the International Helsinki Federation for Human Rights

Eastern Europe. Three factors unite in Romania to make life unbearable: 1) Communist totalitarian control as repressive as any in Eastern Europe; 2) a "cult of personality" surrounding President Ceausescu who demands not only loyalty from his subjects but adulation and has surrounded himself with the luxuries and privileges of royalty; and 3) the insane imposition of financial hardships on the Romanian people, aimed at reducing Romania's huge international debt at the expense of the very lives of its citizens. Given this picture, one asks, why should we continue to support the Ceausescu regime by granting it Most Favored Nation status?

And yet, if we end MFN once and for all, what good will this bring us or the Romanian people? We will have lost an annual forum for airing Romanian human rights abuses; we will have lost whatever leverage the U.S. State Department can apply in trying to bring about human rights improvements in Romania; we may drive Romania into still further reliance on the Soviet Union and destroy its small gestures of independence within the Warsaw Pact. In addition, we will leave the beleaguered Romanian people with the feeling that they have been abandoned by the United States, one of their few sources of hope. It appears that it will be next to impossible to restore MFN, once it has been revoked.

These considerations have led the Helsinki Watch Committee to reconsider its position of July 1985. Our Board now suggests a compromise: a suspension of Romania's MFN status for a period of six months, to be followed by a re-evaluation. MFN would be renewed only if Romania were to demonstrate in a six-month period its commitment to internationally recognized human rights. We ask specifically that Romania (1) cease interrogating and harassing Romanian citizens who have contacts with foreigners and repeal legislation aimed at preventing such contact; (2) remove restrictions on religious freedom, including restrictions on religious education and literature; (3) ease emigration rules and cease the extra-legal persecution of prospective emigrants; (4) remove restrictions on Hungarian schools and universities and other measures aimed at suppressing the cultural identity of the Hungarian minority in Romania; (5) eliminate discrimination against elderly people with regard to medical treatment and other public services; and 6) permit independent human rights fact-finding missions, including the Helsinki Watch Committee, to visit Romania, in order to verify any steps taken to improve the human rights situation there.

We also suggest that the six-month suspension be followed by a review during which it is determined whether or not MFN should be renewed or whether the suspension should be extended for another six-month period.

In the past, threats to revoke the MFN status of Romania have resulted only in deception and manipulation on the part of the Romanian government. The MFN hearings have become the forum for such manipulation. Eager to see MFN continue, Romania regularly makes small human rights gestures just before the MFN review period and then, after MFN has been renewed, lapses back into its previous disregard for human rights and for any assurances it may have made to the U.S. government.

Given the severe economic problems facing Romania today, perhaps the temporary suspension of MFN would jolt the government into action while giving it a chance to take real measures to retrieve not only its MFN status with the United States, but its own self-respect and humanity.

A summary of some of the major human rights abuses in Romania follows, dealing with the areas of freedom of expression, freedom of movement, freedom of religion, political prisoners, workers rights, minority rights and the invasion of privacy.

I. Freedom of Expression

Freedom of expression, including freedom of speech and of the press, does not exist in Romania. The Securitate (secret police) maintains such tight control over all forms of expression that it is virtually impossible to carry on any kind of communication that may be deemed hostile to the state.

There are no human rights monitoring groups in Romania. Efforts to form a Helsinki group in 1977 by writer Paul Goma ended in his expulsion from Romania and the arrest and imprisonment of his associates. The government policy has been to exile or imprison all citizens who attempt to gather and disseminate information on human rights violations.

In an effort to prevent the publication of samizdat periodicals, citizens are required to register their typewriters with the authorities, and the use of duplicating machines is greatly restricted. The effectiveness of these restrictions can be measured by the fact that Romania is one of the only East European countries in which samizdat is almost nonexistent. In fact, the only known samizdat publication in Romania is the Hungarian Press of Transylvania (HPT).

> -- the author of a samizdat book, Adevarul (The Truth) which was critical of the Ceausescu regime, was arrested in June 1984. There is no evidence indicating that he was tried or sentenced, but there has been no information as to his condition or his whereabouts since his arrest.

Art is used as an instrument of propaganda. Independent cultural activities are considered to be dangerous to the state, which encourages instead a mass culture designed to promote its interests.

Publication of books has been sharply reduced due to the severe paper shortage in Romania. Because of currency restrictions, few translations of foreign writings -- even from Communist countries -- are available. Books are censored by an office called the Council for Culture and Education. Those that are deemed critical of certain aspects of Romanian life never reach the printing press. The work of some of the best known Romanian writers, artists and musicians can be found only on the black market, imported from abroad.

II. Freedom of Movement

The Romanian government does not recognize the right of its citizens, guaranteed by the Helsinki Final Act, to leave and return to their country freely. The only recognized ground for emigration is family reunification. Nevertheless, many thousands of Romanians have applied to emigrate. Applicants include not only persons seeking family reunification, but also those seeking religious, political, artistic and ethnic freedom. In 1985, 17,312 Romanians emigrated to the U.S., West Germany and Israel. Such requests for emigration may be said to constitute the only large-scale independent activity carried on by Romanian citizens that the authorities have proved unable to halt.

There are many obstacles on the road to emigration. The application process is long, complicated and arbitary. Prospective emigrants are sometimes prevented from applying to emigrate for months or years on procedural grounds constructed by the state. More important, prospective emigrants risk almost certain reprisals: official harassment, public denunciation, demotion, loss of employment, loss of housing, loss of public services and, often, arrest. Delays of two to three years in obtaining a passport -- and sometimes substantially longer -- are not uncommon. The following case is typical:

> -- Gabriel Galateanu, his wife and their child, have asked to emigrate to the U.S. since 1980. After several attempts, they finally received their passports. However, their passports were confiscated in August 1985. They were thus in an extremely precarious situation, without means of survival. Under these circumstances, they began a hunger strike in order to obtain their passports. The authorities have threatened them with prison. No further information is available.

If, as is often the case, a person is fired from his/her job after applying to emigrate, charges of "parasitical" or "anarchic" conduct can be brought under decree 153/1970. Conviction under this decree can result in imprisonment or "corrective labor without deprivation of liberty." This latter penalty means that the person is assigned to a particular place of work, often far from his or her home, with greatly reduced wages. Permission from the local militia is required in order to leave the assigned area.

In addition to the sanctions mentioned above, incidents of bribes and forced payments -- often in hard currency -- continue to be reported. Applicants must also sell all their property at fixed, and substantially lower, government rates, and they are not permitted to take any funds out of the country.

Those who try to leave the country illegally are charged under Article 45 of the Criminal Code -- "fraudulent crossing of the border" -- an offense punishable by imprisonment or corrective labor for periods from six months to three years.

> -- Horst Hirling, his wife Erika and their four children, have sought permission to emigrate to West Germany since 1981. After requesting to emigrate, Hirling was fired from his job. After receiving only refusals to his requests to emigrate, he tried to cross the Yugoslav border illegally in October 1983. Hirling was caught by the authorities, beaten and sentenced to nine months imprisonment. He finished his prison term, but has been unable to find employment.

The ability of Romanian citizens to change their places of residence within the country is also restricted. It is illegal to move to another town or even to another district within the same city without approval of the authorities. The power to grant or deny residence permits is often used as a method to harass activists, and in particular religious activists.

II. Freedom of Religion

After Poland, church attendance in Romania is considered to be the largest in Eastern Europe, and may well reflect disaffection from Party ideology. The Ceausescu regime has sought to capitalize on the high rate of church attendance by claiming that this proves there is religious freedom in Romania. In fact, restrictions on religious practice in Romania are among the most severe in Eastern Europe.

Of the 60 denominations that existed in Romania before World War II, only 14 are currently recognized by the government. Romanian Orthodox, Roman Catholic, Lutheran, Calvinist, Unitarian, Baptist, Pentecostal, Seventh Day Adventist, Jewish and Muslim groups are among the officially recognized sects.

The government agency that monitors religious activity -- and reports directly to the Central Committee -- is known as the Department of Cults. This Department works closely with the Securitate. The Department of Cults not only controls the activities of the recognized religions; it also effectively controls church finances, to the point of paying the salaries of the clergy.

Religious instruction is actively discouraged in Romania, and the role of priests and pastors is strictly defined. Only the Department of Cults is authorized to print and distribute Bibles, and it does so in vastly inadequate numbers. The result is that religious literature is virtually inaccessible to believers in Romania. Distribution of such literature by unauthorized individuals is punishable by severe prison terms.

The government's tight control over the distribution of religious materials has led to a number of cases of "Bible smuggling." Those arrested for this offense are imprisoned for violating the official restrictions.

The Romanian Orthodox Church has by far the largest following in Romania, with approximately 16 million members or 70 percent of the population. It is not subject to the sort of persecution that the state inflicts on other denominations. This is due, in part, to its traditional role throughout Romanian history, but mainly to the accomodations it has made to the regime.

The membership in the Roman Catholic Church is comprised largely ethnic Hungarians and Germans, and numbers about 1,200,000. Though it is officially recognized, this church is subjected to continual harassment.

Perhaps the largest minority church in Romania is the Reformed Church in Transylvania, composed primarily of ethnic Hungarians and officially numbered at 700,000. Other estimates indicate that the number is closer to one million. Like the Roman Catholics, members of the Reformed Church face persecution.

> -- Father Gaza Palfi, a Hungarian priest who worked in Odorhei, in Transylvania, was allegedly murdered by the Security Police. Father Palfi gave a sermon at a midnight mass on Christmas eve 1984 opposing the government's decision to declare Christmas a working day. He reminded his congregation that in Hungary, Christmas was an official holiday. The following day, he was arrested and severely beaten, particularly around his liver. He was taken to a clinic in Tigru Mures, where he died two months later, in late February. The autopsy was not made public, and the death certificate stated that he died of liver cancer. Two hundred and six priests gathered in protest at his funeral.

The Evangelical Christian churches -- Baptists, Pentecostalists and Seventh Day Adventists -- have long been singled out among the recognized churches for especially harsh treatment. Church buildings have been demolished for petty infractions of the building codes. Families have been evicted for holding "illegal" or "unauthorized" services. Entire congregations have been fined, and religious activists have been imprisoned.

> -- Aurel Florea, a 33-year old Pentecostal from Rupea, has been attacked and beaten by unknown assailants some four times in the past two years. He has been dismissed from his job on accusations of being "mentally ill." Florea used to spend much of his free time visiting other churches in different parts of the country. After one visit in January 1984, he was fined 1000 lei for "attempting to attract proselytes to join the Baptist religious sect." He was attacked later that same day and received injuries that made him unfit for work. The next attacks came on January 10, 1985, on July 10 and on October 14. His friends and relatives are very concerned about his physical and mental condition.

As difficult as circumstances are for the recognized churches in Romania, they are far worse for those who belong to the non-recognized denominations. Two major churches -- the Catholic Church of the Byzantine Rite and the Army of the Lord -- are officially banned. Other banned groups include smaller sects such as the Jehovah's Witnesses, Mormons, Christian Scientists and the Romanian Uniate Church. The nonrecognized faiths are not allowed to hold services and are subject to severe penalties if they do. Participants in such "illegal" services are often arrested or fined on charges of "illegal assembly" or "disturbing the peace."

The Romanian government's practice of demolishing church buildings and historic monuments has been going on for some time. Various reasons are given -- from the building of a new civic center in downtown Bucharest to infractions of the building codes -- but the ultimate purpose seems clear; to stamp out evangelical activism and to erase the religious past of Romania.

-- A Baptist church in Bistrita was partially demolished by the authorities in November 1984 and has not been repaired.

-- A Baptist church in Blaj was demolished in October 1985 for building code violations.

-- A Baptist church in Gaujani was taken over in 1984 for use as a nursery school, and the congregation has been unable to find a building to replace the church or to obtain compensation from the government.

III. Political Prisoners

The number of political prisoners in Romania is not known. Many are incarcerated for seeking to leave Romania illegally or for protesting the denial of exit permission; others are imprisoned because of their religious or human rights activities. While information is scarce, there is reason to believe that forcible confinement in psychiatric hospitals is frequently used to punish people for the legitimate exercise of their rights.

Religious and political activists are frequently detained and interrogated in Romania, although detention does not always result in arrest. When people are summoned or taken to the local security offices, they are often subjected to long periods of interrogation under rigorous conditions, threatened with a variety of penalties, and sometimes physically abused. In addition, there are reports of extremely harsh prison conditions. Romanian law does not provide for habeas corpus or the right to counsel, and the concept of due process does not exist. Persons detained for political offenses usually disappear suddenly, and their families and friends have no means of discovering their whereabouts. In this way, prisoners can be held in incommunicado detention for long periods during investigation.

-- Gheorghe Emil Ursu, a 59-year-old engineer and poet, died in detention in November 1985. Ursu had disappeared from his place of work on September 21, and his family never learned where he was being held.

Ursu had previously been subjected to a seven-month investigation -- from January 1985 until August 1985 -- on the basis on personal diaries that he had been keeping for the last 40 years. The diaries were confiscated by the Security Police and his home was searched in order to find any concealed materials. Starting on January 3, he was summoned to the security headquarters every night after work and interrogated about people mentioned and remarks made in his diaries. He was accused of conspiracy because his diaries included the names of people who had emigrated and who were mentioned in his notes as friends, acquaintances or simply interesting people.

At the beginning of August, he attended what was described as the final session. He was asked for a written declaration expressing his apologies for the offenses he had committed and expressing his gratitude to the people who had investigated him. Nothing further happened until his disappearance on September 21.

No specific charges were ever brought against Ursu. His family was prevented from seeing him and from getting any information from the authorities on his case, until they received a call explaining that he was very sick. Later that day, the family was informed that he had died.

The official explanation is that Ursu died after complications due to surgery. However, reports indicate that his body showed signs of having been badly beaten. It seems likely that he died due to the beatings he received at the hands of the Secret Police.

-- Radu Filipescu, a 29-year-old electronics engineer, was arrested in May 1983 for distributing leaflets that called for peaceful demonstrations against the Ceausescu regime. In September 1983, he was sentenced to 10 years imprisonment for "anti-state propaganda." Filipescu is being held in Aiud prison and has reportedly received particularly harsh treatment.*

The judiciary is subordinate to the Party and the government. Trials may be legally held behind closed doors -- a practice used most often when a trial is likely to attract undue attention and the Ceausescu regime wishes to prevent foreign observers and diplomats from attending.

IV. Workers Rights

The Ceausescu regime boasts of full employment, full housing and contented workers. In reality, however, working conditions are quite pitiable in Romania and, without free trade unions, workers cannot press their demands.

The only independent trade union in Romania was SLOMR, the Free Trade Union of Workers in Romania, formed in 1979 by a group of intellectuals and workers. SLOMR eventually attracted some 2,000 supporters. The Romanian authorities rapidly suppressed the fledgling labor movement.

The plight of Romanian workers is illustrated by a labor law, known as the "Global Agreement," that was enacted in September 1983. This law has effectively eliminated fixed and guaranteed wages. Workers must now sign a contract which amounts to a pledge of productivity. If a worker is deemed to have reneged on his or her contract, the pledge itself is used as the legal grounds for punishment. Workers' salaries are tied to the enterprise's production, and salaries are decreased if the production figures are not met. There were many reports in 1985 of workers receiving greatly reduced wages as a result of this system, and of an increase in "moonlighting" in order to attain minimum income levels.

Another government plan introduced in 1985 provided for 50 per cent salary cuts if production quotas are not met in export-related industries.

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*The State Department reported that on June 5, 1986, Radu Filipescu had been released from prison on April 15, 1986.

In addition, a five-year training period has been instituted. During this time, a worker is considered an "associate" (or "second-class") employee with only limited rights. Among other things, an associate worker receives only half of his or her salary, while the other half is deposited in a state savings bank -- without interest. If the worker leaves the enterprise before the end of the five-year period, he or she loses the withheld money.

Agricultural workers rights are affected by a program announced in January 1984, which is designed to offset the inefficiency of the socialized agricultural sector by squeezing private agriculture. Private agriculture, consisting of private plots of land that belong to members of agricultural cooperatives and to private farmers, has long supplied the country with significant quantities of food, accounting for a large proportion of Romania's total national production. The new program requires every private plot to produce strictly specified minimum quotas of agricultural products. These quotas are replacing the previous system of compulsory delivery to the state. Failure to comply with them will result either in the loss of ownership of the land, or in its transfer to the socialized sector. In all likelihood, this program will cause a drop in private production, which, in turn, will increase the already serious food shortage that has existed in Romania for the last several years.

V. Minority Rights

Ethnic minorities constitute 12 percent of Romania's 21 million people. The largest minority is Hungarian, officially tabulated at 1.7 million people, but closer to 2.5 million, according to emigre sources. In addition to Hungarians, Romania has a large number of ethnic Germans, Bohemians, Gypsies and numerous smaller groups.

The minority groups in Romania often say that they live under a double burden: the burden of repression in a totalitarian state, and the burden of discrimination stemming from Romanian chauvinism and an official policy of "Romanianization."

The Hungarian minority, centered mainly in Transylvania, claims that the Ceausescu regime is engaged in a deliberate policy of "cultural genocide." Hungarian schools, churches, traditions and even the Hungarian language are being systematically eliminated from Romanian society. The forced assimilation to which ethnic Hungarians are being subjected increasingly takes the form of discriminatory and sometimes brutal practices.

The London Times of June 6, 1985, reported that a new, discriminatory decree has been passed limiting the number of Hungarian-speaking students at the University of Cluj to 5 per cent. Prior to this decree, Hungarian students made up 65 per cent of the student body. The government also decreed that all geography and history teachers in all schools in Transylvania must be Romanian -- a provocative move given the conflicting Romanian and Hungarian interpretations of the area's history.

> -- Arpad Visky, an actor with the Hungarian Theaters of Marosvasarhely (Tigru Mures) and of Sepsiszentgyorgy (Sfintul Gheorghe), was sentenced on August 7, 1983, to five years imprisonment for "slandering Romania, the Romanian people and the socialist system" and "disseminating hostile propaganda." He was released in September 1984.
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> On January 5, 1986, Visky was found dead by a police officer, hanged in a forest outside Sfintul Gheorghe. Though the offical report claimed that he had committed suicide, the circumstances are extremely unclear. Visky had applied to emigrate to Hungary in the fall of 1985 and, according to sources close to him, he was not suicidal.

Publications sent from Hungary are often confiscated by the Romanian authorities. It is virtually impossible to subscribe to newspapers or periodicals from Hungary which are not on sale in Romania. The Romanians have also placed restrictions on sending some Hungarian-language publications printed in Romania to Hungary. This makes it difficult for people in Hungary to get reliable information about the Hungarian minority in Romania.

There have also been reports of harassment of foreigners who visit Transylvania and meet with Hungarian intellectuals.

> -- In October 1984, Zsolt Szekeres, a United Nations employee, visited Transylvania and met with several well-known Hungarian intellectuals. After his visit, the Romanian secret police interrogated all the people with whom he had met. It is alleged that threats and violence were employed during some of these interrogations.
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> Szekeres himself was detained in Tigru Mures by the Romanian traffic police when he was en route to Cluj to meet with Geza Szocs. It is reported that he was falsely accused of having been involved in a traffic accident, and was forced to spend the night in the city. The next day he was interrogated for seven hours concerning his contacts in Transylvania and in Washington D.C. Szekeres claims that the police threatened him during interrogation.

VI. New Categories of Repression

Several recent governmental campaigns in Romania entail new and even deeper infringements of citizens' rights to privacy by the Securitate which arbitrarily violate the privacy of the family, home and correspondance.

One such invasion of privacy relates to the severe restrictions on private electrical consumption that have been in force in Romania for several years and became even more extreme during the winter of 1984-85. The authorities arbitrarily enter homes on the pretext of checking for excessive or illegal use of electricity, also taking the opportunity to look for illegal items, such as religious literature. Thus economic restrictions have been used to facilitate invasions of privacy.

Another new campaign is aimed at eliminating abortions. On February 15, 1985, the Party declared the necessity of taking "firm measures...to achieve a doubling of the natural increase in the population in the shortest possible time...mainly by raising the birth rate." One of the measures implemented to this end was the establishment of a new governmental agency, the County Demographic Command, to monitor the female population of child-bearing age to ensure that they are having children. Under this program monthly gynecological examinations are required to prevent unauthorized abortions. Without certificates verifying that these examinations have taken place, Romanian women can be denied social and medical services. Moreover, couples without children are taxed an addition 300 lei per month.

The urban renewal program being waged with such furor by the regime has produced a new category of victims -- elderly people. A new program was announced by Ceausescu in 1985 which empowers the government to relocate elderly people out of the cities into rural, industrial complexes. There have also been many reports of older people being victimized in other ways, such as denial of medical attention and social benefits. Opponents of the regime claim that this persecution of the elderly proves that the regime is engaged in a campaign to wipe out its older, less productive population.

Mr. CRANE. Ms. Shea.

STATEMENT OF NINA SHEA, PROGRAM DIRECTOR, INTERNATIONAL LEAGUE FOR HUMAN RIGHTS

Ms. SHEA. My name is Nina Shea. I am program director of the International League for Human Rights.

Mr. Chairman, MFN provides the United States with an important level for human rights reform. The International League for Human Rights, however, believes that the United States gives Romania MFN too freely without attaching substantial conditions.

As in the past, just before the President's MFN determination this year, the Romanian Government announced that over 1,000 emigration applicants would be allowed to leave and it freed numerous political prisoners. In each year since the enactment of the Jackson-Vanik amendment in 1975, Romanian emigration levels have surpassed the annual level before Jackson-Vanik.

With regard to absolute emigration figures, there is no question Jackson-Vanik works. Such improvements are welcomed. However, the United States should exert greater pressure to exact greater human rights improvements in exchange for the sought after most-favored-nation trade privileges.

One human rights official who negotiated MFN on behalf of his country told me that the United States was modest in its requests from Romania. It did not drive a hard bargain. It routinely granted MFN on schedule, whether or not demands were met.

Mr. Chairman, the United States should be using its leverage more effectively. U.S. officials should arrive at the negotiating table with a list of specific human rights demands in the areas of emigration, religion, culture, ethnic minority, press and labor. MFN status should not be conferred until the U.S. checklist is satisfied even if this means that the renewal of MFN will be delayed by a month or more.

Congress, for its part, should hold hearings each time that MFN is considered. Public hearings where human rights problems are publicized are essential to bring pressure on offending governments. The league has found congressional hearings get results in resolving our own case load of Romanians who want to emigrate. We were unhappy with the House decision not to hold hearings last year. It was an opportunity lost.

Ideally we would like to see Congress hold hearings on Romania's human rights record held twice a year to keep the pressure on.

Thank you, Mr. Chairman, for holding hearings today.

While having a somewhat enlightened foreign policy, Romania is internally a totalitarian dictatorship. It is probably the most repressive and Stalinistic of the East European nations. No dissent is allowed. To stifle dissent and maintain absolute control, the Government does not hesitate to employ brutal tactics such as disappearances, detentions, psychiatric abuse, torture, and even political killings.

Over the years, some Romanian dissidents have died under mysterious circumstances. Since the last hearings by this subcommittee, there have been at least five mysterious deaths. One was writer Marius Robescu; poet Rolf Bossert; actor Arpad Visky; poet Gheorghe Ursu; and there has been the disappearance of a woman psychiatrist, Aurelia Nistor, who protested about the political abuse of psychiatric asylums.

Far more frequently, the Government, using its absolute and pervasive control, turns to more subtle but no less efficient administrative sanctions to silence its critics and deny other basic human rights. It is able to punish, coerce, and co-opt citizenry through diverse measures without even the pretext of an independent investigation or trial.

Such measures, imposed simply on administrative order, include external banishments, forced labor or so-called corrective labor without deprivation of liberty, job demotion, transfer, or even dismissal, wage reductions, withholding or the complete denial of food rations and medical care, denial of education, eviction from home, forcible resettlement to remote or undesirable areas and fines or taxes. Their cumulative impact on human rights is devastating.

Mr. Chairman, the International League wishes to take this opportunity to publicize some of these pervasive administrative sanctions that so thoroughly undermine emigration rights in Romania.

The individual's right to leave his country has been an area of special concern to the league, and is the focus of our family reunification project, which currently contains documentation on more than 1,000 persons who wish to leave Romania. For this reason, we place particular emphasis on this issue at today's hearing.

Many thousands of persons wish to leave Romania. Because of the Romanian Government's restrictive policies, it is impossible to determine exactly how many persons actually apply for exit permission. Merely for requesting permission to leave, many families have suffered at the hands of administrative authorities. In addition indeterminable delays in the processing of exit applications itself amounts to a form of administrative sanction.

As in other areas of state control in Romania, there is no opportunity for an independent judicial review of the state's denial of permission to travel. Contrary to the State Department's findings, we have found that travel from Romania is severely and routinely limited irrespective of the would-be traveler's purpose, including family reunification. Many of the league's cases involve family members who wish to emigrate to join relations abroad. Particularly cruel is the denial of the right to leave involving the elderly, whose children are already in the West. There can be no justification for withholding emigration permission in these cases. The individuals concerned are pensioned and it has been many years since they were members of the work force. In addition, these cases do not involve the issue of state security. Inordinate delays in Romania's emigration process continue to be reported. Partly responsible are cumbersome and obscure procedures coupled with bureaucratic indifference of officials. However, the length of delays in many cases is so extended that simple bureaucratic inefficiency cannot be blamed. Delays seem to be a deliberate strategy by Romanian authorities to deny the right to emigrate. A large number of persons have been applying for permission to leave Romania for many years; in some cases, well over two decades.

In addition, Romanian authorities direct economic and other administrative reprisals against would-be emigrants.

In Romania the unemployed are often treated as second-class citizens and may even be criminally prosecuted for parasitism. Therefore, dismissal from employment can be severe sanction for emigration and an effective deterrent for others who may wish to apply.

A number of individuals in league documented cases were fired from their jobs soon after requesting permission to emigrate. In other cases, emigration applicants have been demoted to lower paying positions far beneath their capabilities.

Students and families applying to emigrate have reported discrimination with regard to education. A number of families report that their children have not been permitted by authorities to enroll in school. Others have been evicted from their home or given inadequate housing.

Apparently the Romanian authorities have also adopted a new administrative sanction: exacting large cash payments from the applicants. Numerous league documented cases report that Government agents requested bribes or unofficial payments up to 3,000 U.S. dollars as prerequisites to receiving emigration permission. Such payments seem to have replaced and are a substitute for the education tax which was imposed after November 1982, and then abandoned after strong U.S. congressional and administrative protest.

This year there is a new decree, No. 408, which is unpublished, which apparently make it even harder for Romanians to have contact with the foreigners.

Before concluding, Mr. Chairman, I would just like to briefly name six cases of family reunification which remain outstanding.

One, attorney Nicolae Pana, who is a lawyer for the Romanian Orthodox Patriarch, was fired 4 years ago from his job for his independent thinking. He has been twice imprisoned. Three years ago he applied for a passport, along with his wife and 1-year-old daughter. They are now requesting permission to leave and have not been able to get it. He now is unemployed, his telephone has been cut off, and he has lost his apartment.

The family of Iona Dumitru is trying to emigrate. She lives in the United States. Among her family members in Romania is her 17-year-old son who was framed, and recently given a 3½ year sentence on a trumped-up criminal charge.

A mathematician Silviu Teleman, and his wife, a physicist, have been trying to emigrate since November of 1981. He wants to join his brother in the United States. He has been refused permission to emigrate repeatedly in 1983, 1984, and 1985. In 1983, he was told he must pay an 80,000 U.S. dollar education tax. He was also reportedly told, "We don't care what you write on your form; it is how much you pay that interests us."

One of his two sons, a pianist, was expelled from the conservatory of music after applying to emigrate. His other son cannot gain admission to the university.

Another mathematician Radu Rosu and his wife, a physician, have applied to go on exchange and have been accepted at Princeton's Institute for Advanced Studies. They also have been prevented from going. In January, he undertook a 6-week hunger strike to protest the denial of the right to leave the country.

Another case is Georgi Brasoneanu, an economist in Bucharest and founder of the Free Trade Union in the 1970's. He was imprisoned, now is free from jail, and wants to emigrate but cannot.

Finally, the Fodor family have applied to emigrate to the United States for 4 years to rejoin their husband and father who was formerly with the Romanian Government.

In conclusion, Mr. Chairman, Romania systematically violates a wide range of human rights through to the extensive use of administrative sanctions as well as by other tactics. These are described in my written testimony which I will submit for the record.

Romania shares with the United States certain trade and foreign policy interests. Precisely for this reason, there is a tendency among some American policymakers to minimize or overlook Romania's abysmal human rights. However, Romania is sensitive to U.S. congressional opinion. In the past, it has yielded to American, particularly congressional, pressure to moderate its actions. The International League urges Congress to make effective use of its leverage and continue such efforts. In Romania, precisely because there is virtually no opening for internal dissent, United States and other external pressure becomes all the more critical.

Thank you, Mr. Chairman.

[The prepared statement follows:]

HUMAN RIGHTS IN ROMANIA

Testimony of Nina Shea, Program Director

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INTRODUCTION

Most-favored Nation trade benefits provide the United States with an important lever for human rights reform. The International League for Human Right, however, believes that the United States gives Romania most-favored nation too freely without attaching substantial conditions.

As in the past, just before the President's MFN determination this year, the Romanian Government announced that over 1,000 emigration applicants would be allowed to leave and it freed numerous political prisoners. In each year since the enactment of the Jackson-Vanik Amendment in 1975, Romanian emigration levels have surpassed the annual level before Jackson-Vanik. With regard to absolute emigration figures, there is no question, Jackson-Vanik works.

Such improvements are welcome. However, the United States should exert greater pressures to exact greater human rights improvements in exchange for its sought-after "Most-favored-Nation" trade preferences. One Romanian official who negotiated MFN on behalf of his country told me that the United States was modest in its requests to Romania. It did not drive a hard bargain. It routinely granted MFN on schedule whether or not demands were met.

Mr. Chairman, the United States should be using its leverage more effectively. The U.S. officials should arrive at the negotiating table with a list of specific human rights demands in the areas of emigration, religion, culture, ethnic minorities, press and labor. MFN status should not be conferred until the United States checklist is satisfied--even if this means that the renewal of MFN will be delayed by a month or more.

Congress, for its part, should hold hearings each time that MFN is considered. Public hearings where human rights problems are publicized are essential to bring pressure to bear on an offending Government. The League has found that Congressional hearings get results in resolving our own caseload of Romanians who want to emigrate. We were unhappy with the House's decision not to hold hearings last year--it was an opportunity lost. Ideally, the League would like to see hearings on Romania's human rights record twice a year in order to keep the pressure on.

Thank you, Mr. Chairman, for holding hearings today.

To stifle dissent and maintain absolute control, the Government does not hesitate to employ brutal tactics, such as disappearances, detention, psychiatric abuse, torture and even political killings: In April 1984, the Hungarian Roman Catholic priest Father Geza Palfi was beaten to death by security police for criticizing the State's policy of making Christmas a workday; Aurelia Nistor, a psychologist who protested the political abuse of mental asylums, disappeared in 1984; Gheorghe Ursu, a 59-year-old independent-thinking poet and engineer, died in prison in October 1985 in suspicious circumstances; dissident writer Marius Robesen also died in October 1985 allegedly from heart failure at age 43 but what his friends believe to be mysterious circumstances; prominent Hungarian cultural figure and actor Arpad Visky, who had been harassed in the past by Romanian authorities and banned from the Romanian stage for cultural reasons, was found dead hanging from a tree on January 5, 1986; and 34-year-old dissident poet Rolf Bossert was found dead on February 17, 1986 from mysterious causes.

These are only a few examples. There are numerous others.

Far more regularly, the Government, using its absolute and pervasive control, turns to more subtle but no less efficient administrative sanctions to silence its critics and deny other basic human rights. It is able to punish, coerce and co-opt its citizenry through diverse measures without even the pretext of an independent investigation, charge, trial, due process, conviction or appeal. Such measures, imposed simply upon administrative order, include external exile; internal banishment; forced labor or so-called "corrective labor without deprivation of liberty"; job demotion, transfer or even dismissal; wage reduction, withholding or complete denial; denials of food rations and medical care; denial of education; eviction from home, or forcible resettlement to remote or undesirable areas; and fines or taxes.

Administrative sanctions commonly do not affect the observer as do the more brutal methods of repression. They fail to shock or horrify. All too often they are overlooked by the international community. Yet, in Romania, their cumulative impact on human rights is devastating.

Karoly Kiraly, the well-known Romanian dissident of Hungarian ethnic background, speaking of the plight of the Hungarian minority, recently stated:

> Those who denounce or protest (human rightsviolations) are not necessarily silenced by violence. For example, a schoolteacher who speaks out may be suddenly transferred to another city where his wife cannot find work. The shattered life of a miserable schoolteacher does not make headlines in Transylvania, nor would it in the West. And what about two and a half million shattered lives? Would that make a headline? I do not think so.

Mr. Chairman, the International League wishes to take this opportunity to publicize some of these pervasive administrative sanctions that so thoroughly undermine human rights in Romania.

RELIGION

The Romanian regime is officially atheistic and prohibits religious education for the young. Through the Ministry of Cults, it controls all the activities of the 14 State-approved religious groups.* It is the sole distributor of Bibles, which are always in short supply. It pays the salaries of religious leaders, some of whom it has managed to co-opt.

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* These include: Romanian Orthodox (the largest), Roman Catholic, Lutheran, Calvinist, Unitarian, Baptist, Pentecostal. Seventh Day Adventist, Jewish and Musli

It is able to discourage religious observance by calling for "patriotic" labor on significant religious holidays, such as Christmas. Those who dare not to work on such days risk losing certain privileges, such as better housing or a job promotion.

Since 1977, but with particular intensity since spring 1984, the Government has been in the process of demolishing many church buildings, including some that are several centuries old and have historical significance. It appears to be a systematic campaign. The situation is especially acute since worshipping in other than officially designated buildings is forbidden. A Protestant leader who held a prayer meeting in his own home after the congregation's church had been torn down was soon afterwards evicted.

In the past year, the destruction continued. To make way for the construction of a new Boulevard for the Victory of Socialism, the Government is continuing a large-scale demolition of a Bucharest neighborhood, which includes several churches and three synagogues. Eleven Baptist churches have been plundered throughout the countryside and the vandals remain at large.

A number of religious figures who have become too popular and too critical of the Government have recently been singled out for repression by administrative action, as well as through arrest and imprisonment. In none of the examples that follow has the individual been able to appeal the administrative punishment imposed.

-- Reverend Istvan Tokes, an internationally respected theologian and a senior official of the Hungarian Reformed Church, after strong official pressure, was fired in November 1983 from his position as professor at the Protestant Theological Seminary, and in May 1984 was dismissed from his post as Assistant Bishop. He continues to be monitored.

-- Reverend Laszlo Tokes, son of Istvan Tokes and also a minister of the Hungarian Reformed Church, was banished from his congregation in Des to a remote village in May 1984.

-- Felicia Russo, a convert to the Pentecostal Church in Lugoj, has been repeatedly harassed by authorities since her conversion. She was expelled from the university and denied a passport. Currently, she can get only menial jobs for which, church sources report, she is paid approximately $4 (U.S.) a month.

-- Ferenc Wisky, a former pastor of the Hungarian

Reformed Church, was forcibly retired and banished from his church and home in April 1983.

The Romanian regime is not willing to persecute directly the large number of devout in its country. Instead the regime has, through administrative measures, sought to undercut religion by isolating independent-thinking religious leaders and limiting religious exposure for the bulk of the population.

At the 13th Congress of the Romanian Communist Party in November 1984, President Ceausescu vowed to "take firm measures against various mystical and obscurantist manifestations," an obvious reference to an official crackdown on religious practice. There is no indication that the situation will improve in the near future.

PRIVACY

Administrative action has also been employed to curtail the right of privacy, particularly with respect to the family.

In a Februrary 24, 1984 decision, the Romanian Communist Party's executive political committee endorsed the regime's directive to raise the nation's birth rate. It decided to continue to ban abortions and oral contraceptives for women under 42. Among the measures adopted aimed at enforcing the ban and promoting the State's birth rate goal is a compulsory monthly gynecological examination for female workers over 20 years of age. The purpose of the check-ups is to ensure that pregnancies are not interrupted. Those who fail to comply are to be denied paychecks, refused other medical services or denied social benefits.

The committee's decision also requires compulsory medical treatment for sterile women. In addition, unmarried adults over 25 and childless couples are subjected to a five per cent income surcharge. One-child families also confront problems; families with two or more children have priority in enrolling in school or for obtaining housing.

There is no opportunity for women or families to appeal or even protest such measures. Those who attempt to do so risk further reprisals.

MINORITIES

At the Romanian Communist Party Congress President Ceausescu declared, "We have resolved the nationality problem for good."* In fact, the persecution and forced Romanization of some minority groups in Romania appears to have intensified in recent years. Since fall 1984, authorities in Hungary and Yugoslavia, as well as the Council of Europe, have voiced official concern to the Romanian Government about its treatment of the minorities and their culture.
The Hungarian minority has been among the hardest hit. In addition to penal and even extra-legal measures, they have faced a relentless barrage of administrative sanctions in a Government attempt to force them to give up their culture and assimilate into the dominant Romanian one.

Hungarians are underrepresented in important local and national political bodies. Transylvania, the center of Hungarian ethnic culture in Romania, no longer holds the semi-autonomous position it had during the 1950s. Romanians are now regularly appointed as mayors of Hungarian districts. Many previously independent Hungarian cultural and educational institutions have been merged with their Romanian counterparts.

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* Minority groups in Romania include ethnic Hungarians and Germans, Jews, Serbs, Ukranians, Slovaks, Czechs, Bulgarians, Armenians and Gypsies.

Romania has sought to disrupt the flow of Hungarian-speaking individuals to and from Romania. It has denied its own citizens passports or permission to visit Hungary. It has discouraged visits by foreign ethnic Hungarians to Romania by close surveillance and police interrogation and harassment. It has closed the Romanian-Hungarian border on important Hungarian ethnic holidays and has recently decreed that Hungarians are among the foreigners who cannot stay overnight in the homes of Romanians unless they are relatives.

Romanian authorities also make Hungarian cultural exchanges difficult. At the border they routinely confiscate written materials in Hungarian, including those without political content. They have forbidden Romanians of Hungarian ethnicity to accept scholarships in Hungarian universities and professional schools.

Within Romania they have repressed Hungarian culture by limiting opportunities to learn and speak Hungarian and practice Hungarian traditions. In the past year, the Government has stopped all television broadcasting in Hungarian. It has also continued to close Hungarian schools or incorporate them into Romanian ones as mere sections that, in turn, are gradually phased out. Recently, by an order of April 4, 1984, the Ministry of Education abolished the designation of the Babes-Bolyai University as a Hungarian institution.

A quota is set by authorities to limit the number of university students allowed to major in Hungarian; in July 1983, the Ministry of Education reduced the quota at the University of Kolozsvar from 25 to 15 students, according to reports of the "samizdat" Hungarian Press of Transylvania. Students of Hungarian are harassed: The Hungarian Press of Transylvania reported in June 1984 that ten students from the Academy of Fine Arts in Kolozsvar were interrogated by the secret police and two of them were expelled, after the interrogations had determined that they were "maintaining contact with citizens of Hungary...and allowing Western, Hungarian ideals to influence their work."

The Government has also routinely assigned Hungarian graduates of universities and trade schools to jobs outside the Hungarian community. Ethnic Hungarians are sent into Romanian areas, while Romanians are transferred to Hungarian-speaking districts. For example, the 23 graduates who had majored in Hungarian at the University of Kolozsvar in 1983 were all forced to accept teaching positions outside Transylvania. Instead of teaching their native Hungarian to ethnic Hungarians, they must now teach various foreign languages to Romanian speakers. The New York-based Committee for Human Rights in Romania reports that, as a result, there is an acute shortage of Hungarian teachers in Transylvania, and Hungarian language experts are isolated from their native communities.

Other prominent Hungarian cultural figures have been forcibly transferred from the Hungarian region or fired from their positions, merely because they are viewed by authorities as obstructionists to its minority assimilation plans. Certain religious leaders, who have been victims of this practice, have been mentioned above. Others include journalists, writers, broadcasters and actors. For example:

-- In 1984 Zoltan Bartha, an editor of a Hungarian-language children's magazine was reassigned to another job in a remote region.

-- In late 1983, Sandor Huszar, editor of a popular Hungarian-language weekly, and his assistant, Andor Horvath, were summarily fired from their jobs.

The dissident Karoly Kiraly eloquently summarized the situation of the Hungarian minority in an interview in October 1984:

> The atmosphere of terror is beyond description. It permeates every aspect of everyday life. The most arbitrary and extreme measures are taken with respect to education, housing, cultural and religious activities, in total disregard of established laws and regulations. The fear which the secret police has managed to instill in every citizen makes even the simplest act become incredibly risky and complicated. Making a longdistance telephone call to Hungary, for example, is itself already considered a suspicious activity. Three phone calls are allowed per month and each call is recorded in one's personal identification card. Distrust is so prevalent that no one dares communicate anything to anyone. Those who do dare to trust someone risk their jobs, their homes or anything they might hold dear.

THE RIGHT TO LEAVE

The individual's right to leave his country has been an area of special concern to the League and is the focus of our Family Reunification Project, which currently contains documentation on more than 1000 families who wish to leave Romania. For these reasons we place particular emphasis on this issue at today's hearing.

Many thousands of persons wish to leave Romania. Because of the Romanian Government's restrictive policies, it is impossible to determine exactly how many persons actually applied for exit permission.

Many of our cases, noted in the Appendices to our testimony, reveal instances of particular hardship. Merely for requesting permission to leave, many families have suffered reprisals at the hands of administrative authorities and a number have endured interminable delays in the processing of their exit application, in itself a form of administrative sanction.

The right to leave is not safeguarded in Romanian law: it is not mentioned in the current Romanian Constitution, and there are no specific domestic laws guaranteeing the right to leave. On the contrary, various provisions stipulate lengthy and complex conditions for acquiring exit visas and passports. In the absence of legal guarantees to protect citizens' rights to leave, the State's claim of the right to control the movement of its citizens goes unchallenged. The State exercises unharnessed power to determine who may leave, when, and under what circumstances.

The following examination of Romanian domestic law reveals that the right to leave is severely qualified even on the face of the legislation. A review of the League's extensive caseload demonstrates that these laws are applied in such a way that an alarming curtailment of emigration rights results.

Article 12 of the Romanian Decree on Passports provides for complete Government discretion in the issuance of documents for foreign travel. It empowers Romanian authorities to deny or withdraw a passport when "by going abroad, (a Romanian citizen) could prejudice the interests of the Romanian state or affect the good relationship thereof with other states." The vague wording of this decree permits arbitrary denials of passports and contemplates restrictions on the right to leave far exceeding those permitted under international law, namely "those necessary to protect national security, public order, public health or morals or the rights and freedoms of others."

Other legal provisions ensure strict State regulation of movement from the country:

> -- One decree governing travel limits the validity of exit visas to only six months from the date of issue.
>
> -- Another stipulates that personal travel is permitted only once very two years, with certain exceptions regarding family reunification or obtaining medical care.
>
> -- Yet another makes State permission for personal travel contingent on "the limits of available foreign currencies as established for this purpose through the annual State Plan and in accordance with the criteria and preferential order established by the Resolution of Council of Ministers."
>
> -- Before being permitted to leave to marry a foreign national, citizens must also seek and receive separate permission to wed from the Romanian Parliament.

As in other areas of State control in Romania, there is no possibility for independent judicial review of State denials of permission to travel.

As noted above, Romanian law exempts travel for purposes of family reunification and for obtaining medical care from certain restrictions applicable in other cases of personal travel. We have found, nevertheless, that in practice travel from Romania is severely and routinely limited irrespective of the would-be traveler's purpose.

Many of the League's cases involve family members who wish to emigrate to rejoin relatives abroad. As a result of travel denials, husbands are separated from wives, and children from parents. Even in the most compelling circumstances denials are common.

Particularly cruel is the denial of the right to leave in those cases involving elderly and often ill applicants whose children are already in the West. There can be no justification for withholding emigration permission in these cases. The individuals concerned are pensioned, and it has been many years since they were members of the work force; in addition, these cases do not involve issues of State security.

The League has documented 68 such cases,
They range in age from 60 years. Some are seriously ill, such as: Borislav Nikolin who is partially paralyzed; Theresia Michelbach, who suffers from hardening of the arteries as well as stomach problems; Michael Weber, 83 years old, suffers from a stomach disease on which he has twice undergone surgery, and his wife Elisabetha, 78 years old, is almost blind; Anna Bieber, 70 years old, suffers from arterial hypertony, arteriosclerosis, and myocardial sclerosis; her husband Jakob Bieber, 80 years old, suffers from myocardialsclerosis and adenoma of the prostate. Many of these individuals need medical treatment available only in the West.

Hardship in some families is particularly acute in view of the very meager pensions on which they must subsist. In several cases, these are as low as $6 or $10 (U.S.) dollars a month.

Inordinate delays in Romania's emigration application process continue to be reported. Partly responsible are cumbersome and obscure procedures coupled with the bureaucratic indifference of officials. Applying to emigrate is a two-level process in which applicants must acquire, submit and receive decisions on both a "short" and "long" application form. A number of individuals have reported to us that even obtaining the forms can be a frustrating and patience-testing process. On more than one occasion it has been reported to us that after filing the applications, one or both of the forms have been "lost" or filled out incorrectly; for example, officials use minor misspelling as an excuse for requiring the entire process to begin anew.

However, the length of delays in many cases is so extended that simple bureaucratic inefficiency cannot be blamed. Delay seems to be a deliberate strategy by Romanian authorities to deny the right to emigrate. A large number of persons have been applying for permission to leave Romania for many years, in some cases well over two decades. A few examples follow:

-- **Since 1961:**
  Elisabetha Haecker (60 years old)
  Mathias and Margareta Wilhelm (77 and 73)
-- **Since 1962:**
  Josef and Barbara Lindemann (both 61)
-- **Since 1963:**
  Ignatz and Katharina Schmidt (81 and 77)
-- **Since 1964:**
  Anton and Elisabeth and Katharina Kilzer (67, 58, and 82)
-- **Since 1965:**
  Josef and Anna Eberle (82 and 76)

In addition, Romanian authorities direct economic and other administrative reprisals against the would-be emigrant. For some, these practices signify a continued campaign of intimidation against them--the same factors that initially prompted their desire to leave; for others this treatment may mark the beginning of a long and torturous ordeal.

In Romania, the unemployed are often treated as second-class citizens and may even be criminally prosecuted for "parasitism." Therefore, dismissal from employment can be a severe sanction for an emigration application and an effective deterrent for others who might wish to apply. A number of individuals in League-documented cases were fired from their jobs soon after requesting permission to emigrate. According to our case files, several persons, apparently blacklisted from employment, have yet to find other work although they are skilled in their professions.

In other cases, emigration applicants have been demoted to lower-paying positions far beneath their capabilities: for example, professors are being forced to work as unskilled laborers in factories.

Students in families applying to emigrate have reported discrimination with regard to education. A number of families report that their children have not been permitted by authorities to enroll in school.

Others have been evicted from their homes; or given inadequate housing. Many emigration applicants are deemed ineligible to receive State benefits such as medical and dental care, hospitilization and pensions.

Apparently, the Romanian authorities have also adopted a new administrative sanction: the exacting of large cash payments from the applicants. Numerous League-documented cases report that Government agents requested bribes or unofficial payments of up to $3,200 (U.S.) as a prerequisite to receiving emigration permission. Western diplomatic sources have also reported on this new practice. Such payments seem to have replaced and are a substitute for the Education Tax, which was to be imposed after November 1982 for all emigration applicants who had received education beyond the compulsory level of ten years. The practice of taxing emigrants for their education was abandoned by Romanian authorities after strong U.S. Congressional and Administration protests.

Finally, regarding emigration, the League wishes to draw the Subcommittee's attention to another problem faced by the many Romanians who wish to emigrate to the U.S. to rejoin family members: Hundreds of such applicants have already received Romanian exit visas but have not yet been granted U.S. immigration permission . These families have applied to leave Romania under the United States State Department's Third Country Processing Program (TCP) that encouraged emigration from Romania but was discontinued in 1982. The Romanian Government, believing that the United States would not be able to take many of the applicants, began a policy of selling passports to those wishing to migrate to the United States and other Western European countries (except the Federal Republic of Germany). These individuals, many of whom were forced to give up their jobs or homes, after applying to emigrate live in particularly distressing circumstances.

EXPRESSION

Free expression is not tolerated in Romania. All press, broadcasting and publishing are controlled by the Government. Western written materials are rarely allowed into the country. Even underground publications are scarce. The Hungarian Press of Transylvania is the only underground publication now able to function.

Many of the leading dissidents, such as Paul Goma and Vlad Georgescu, have been exiled, often after imprisonment and/or physical abuse. Others, such as those mentioned above in the "Minorities" section, have been isolated and silenced after being fired from newspaper jobs, internally banished and/or imprisoned.

A few popular or well-known Romanian writers still dare to dissent. They, their publishers and editors are likely to be censored, fired, and eventually exiled rather than imprisoned. A few well-known writers still do manage to have pieces critical of the Government printed. For example, Ana Blondiana, an internationally-acknowledged poet had four dissident poems published in December 1984. It has been reported that she and her publishers have been warned by authorities to stop the criticisms. Augustin Buzura, a novelist, has published a number of dissident pieces, including some critical of totalitarianism in connection with President Ceausescu's birthday celebration in January: one of his editors at the Cartea Romanescu publishing house, Georgeta Naidin, was transferred from her job.

In this context, Radio Free Europe, which broadcasts news about Romania within Romania in the native language, is a significant alternative information source. In recent years Radio Free Europe offices and personnel operating in Western Europe have been repeatedly threatened by physical attacks, reportedly backed by Romanian agents. Two French citizens, suspected of being Romanian security agents, were sentenced to prison by a West German court in July 1982 after being convicted of attempting to murder a Romanian exile working for Radio Free Europe in Munich. On November 9, 1984, the West German Government requested the withdrawal of five Romanian diplomats from the Embassy in Bonn for allegedly being linked to a planned bomb attack on Radio Free Europe offices.

During 1984 some banned writers and artists have resigned from the Communist party to protest the "intolerable restrictions" on culture and press in Romania. Others, including

Dorin Tudoran, had done so in previous years. An administrative decree, aimed at monitoring the unofficial press, by requiring private persons to register typewriters, came into force in April 1983. Shortly afterwards, President Ceausescu called on artists in all fields to propagate "the model of the new man." Official control over all forms of expression can be expected to remain tigh

LABOR

Romania prohibits independent labor unions and has effectively eliminated any type of labor movement. Administrative sanctions, such as job transfers, demotions, banishment or exile, are used to isolate activists and suppress labor organizing and dissent.

Incipient efforts to organize a union and protect workers' rights arose during the 1970s but were quickly suppressed by authorities. In the early 1970s Vasile Paraschiv, a petrochemical worker in Ploiesti, proposed in a letter to the Romanian Communist Party the formation of independent trade unions. He never received a reply; instead he was forcibly detained in a psychiatric hospital. In 1977, he was permitted to leave Romania.

The next significant attempt to assert workers' rights occurred in 1977 among miners in the Jiu Valley. The miners organized a strike to protest food shortages and working conditions. Despite promises by the Government to address the strikers' grievances, their demands were never met.

Finally in 1979, a group of intellectuals and workers, prompted by the Government's inaction regarding the miners' strike, announced the formation of the Free Trade Union of Romanian Workers (SLOMR) to press for workers' demands. The authorities quickly responded by arresting the union organizers and harassing its members.

There are now no significant movements to start a new union. Some of the original labor activists are in exile, while others are still being punished within Romania.

Meanwhile, workers' rights continue to deteriorate. Authorities regularly continue to make calls for days of "patriotic" labor, during which workers are not paid for the work rendered. Students, particularly, are expected to "volunteer" their labor during vacation periods. A new decree places those entering the labor force in virtual indentured servitude. They are forced to remain at their first assigned job for five years; otherwise half their wages, which are withheld by the State, are forfeited.

Without any opening to organize or express dissent, Romania's workers face a bleak furture. They can expect further hardships and exploitation as the nation's economy continues to perform poorly.

CONCLUSIONS AND RECOMMENDATIONS

In conclusion, Romania systematically violates a wide range of human rights through the extensive use of administrative sanctions, as well as by other tactics. Those who are for political reasons victims of exile, house arrest, eviction, job dismissal or other administrative measures merit U.S. concern.

Romania shares with the U.S. certain trade and foreign policy interests. Precisely for this reason there is a tendency among some American policy makers to minimize or overlook Romania's abyssmal domestic human rights record. However, unlike other Eastern-bloc nations, Romania is sensitive to U.S. Congressional opinion: in the past, it has yielded to American, particularly Congressional, pressure to moderate its actions. The International League urges Congress to make effective use of its leverage and continue such efforts. In Romania, precisely because there is virtually no opening for internal dissent, U.S. and other external pressure becomes all the more critical.

Mr. Crane. Mr. Crossley.

STATEMENT OF JOHN W. CROSSLEY, CHAIRMAN, CHRISTIAN RESCUE EFFORT FOR EMANCIPATION OF DISSIDENTS; ALSO ON BEHALF OF EASTWATCH INTERNATIONAL, AND REFERENCE POINT: REALITY

Mr. Crossley. I thank you for this opportunity. My name is John Crossley, I am the director of Eastwatch International, and also chairman of the Christian Rescue Effort for Emancipation of Dissidents, and editor of Reference Point: Reality.

Since you have the entire printed copy here for the record, I will be very brief. I would like to comment on something that Ambassador Funderburk said, that one day in Romania, does not an expert make.

I have been to Romania over 30 times in the past 10 years, and I have been monitoring human rights situations during this entire period; I sincerely believe that the religious situation in Romania is being misrepresented, or misunderstood.

Mr. Gibbons mentioned one time that Romania is an orthodox country, and situations have been going on like this in Romania for centuries. That is absolutely true. There are 18 million orthodox believers in Romania, and part of the tenets of the orthodox faith, is that there is no salvation outside of the church.

Salvation is part of the church. That is a tremendous influence. People don't recognize the fact that Romania is every bit as orthodox as Poland is Catholic. They don't see that. When we hear the testimony at these hearings, one would think Romania is a Baptist country, and that pastors being hung by their wrists is a matter of daily occurrence.

It is really just not that way. Two weeks ago, I was in a small village in Transylvania. Of 85 households, 79 were members of the Army of the Lord, which have no official representation, and they meet in homes totally freely. They sing all night long, and there are members of the secret police who also live in the town, and yet none of these people are currently in prison.

Not only that, the Army of the Lord consists of 500,000 people, greater than all the Baptists, all the Pentacostals, and all of the Adventists combined.

They are totally unofficial. I cannot point to another country in Eastern Europe that has such a great degree of fringe religious activity. There is no country in Eastern Europe that has religious freedom as we know it. They have all elected through Marxism to control religion through the Department of Religion.

However, in the case of Romania, the Department of Religion has existed since the 19th century. It is not in their case a Communist contrivance. So I believe that these are very important points that aren't represented here, and if we are going to be responsible, especially on something that is as vital as MFN status, we need to recognize those points. I believe it is vital because MFN is an effective working tool.

We have people released from prison when people run afoul of the regime or if they have problems, we have on entry into their society through this process whereby we can voice our concerns.

MFN process in that regard, has brought about somewhat of a paradox, in that it has opened up Romania to our observance and to the voicing of our concerns, and yet it threatens the closing of the door. I believe that we should never jeopardize that a tool that we have to bring about the release of prisoners, of individuals, and to allow large numbers of people to emigrate. As we see, perhaps I would suggest that we seek to expand our social and cultural and our economic ties with Romania, to reduce the stress, the economic stress on their society.

I would believe this should be our most sincere, constructive endeavor, if the same situation exists with a Department of Religion, in Yugoslavia and in Hungary and in all these other countries where you don't have outcry, per se, about human rights, then that is not the source of the problem.

The source of the problem is the internal stress in Romania. It has a terrible economy. The people do have tremendous problems. So, I believe that we should take steps through our associations to rectify these things.

By taking away MFN, it will continue to be an orthodox country, that is without question. They will not stop that regardless of the regime. The Baptists, I believe, would actually fare worse if they didn't have associations with the West, because the orthodox have made it plain that they do not like proselytizing from their ranks, Baptists are doing this, and I have been told by hierarchs of the church that if they stop, they will have the building permits they want.

This is reality. This is in fact what happens in Romania. I hope that this would be taken into consideration when you make your decisions concerning MFN.

Thank you very much.

[The prepared statement follows:]

Reference Point: REALITY

As Director of Eastwatch International, and Chairman of The Christian Rescue Effort for the Emancipation of Dissidents, and Editor of Reference Point: Reality, I have been actively involved in monitoring Romania's Human Rights conditions over the past ten years and in particular the rights of believers as they pertain to the worship of God and the exercise of their religious beliefs. Now that these rights have become a central topic of concern by members of Congress and are now the motivation behind various resolutions calling for suspension of MFN or its cancellation, it is very important to understand clearly the conditions of religious life in Romania and how these conditions relate to Romania within the context of the Eastern European Community, and what, if any, the effect of the extension of Most Favored Nation Status to Romania has had on religious freedom in general.

To start, I would like to state that I whole heartily welcome President Reagan's extension of the Waiver Authority under Section 402 of the Trade Act and agree that it does indeed help promote our objectives for human rights in the region. The release from prison of those such as Father Calciu, Dorel Catarama, Constantin Sfatcu and others, as well as the large numbers of people allowed to emgirate yearly from Romania are clear proof that the MFN process is a viable working tool in helping to achieve our Human Rights goals. It is clearly established that the process can bring results especially on the individual case basis and therein rests its tremendous value and one which should not be jeopardized.

So far as religious freedom in Romania is concerned it is important to remember that no Eastern European country has freedom of religion as we know it, since all have elected to control religion through the offices of a Department of Religion. This includes countries such as Yugoslavia and Hungary where there are only certain legal denominations and others, such as Jehovah's Witnesses and Mormons are not permitted to practice their faith. This structure is in itself one which we would seek to influence from the ideological standpoint, however, it is not the source of outcry about Human Rights.

This is due to the fact that we see, within this structure, throughout Eastern Europe, open churches, a tremendous vitality of faith, the open confession of faith including proselytizing, and the States subsidizing of that to which the party is philosophically opposed. This is especially true in Romania and, in fact, Romania has had a Department of Religion since the 19th century and it is not in their case a Communist contrivance. This system has allowed the Churches a great deal of social influence and internal political power which no observer of Romania can deny. The problem as pointed out by Father Calciu in his essay "Concerning My Freedpm" is that freedom brings with it the awful responsibility to do good or evil. He noted after his release from prison that the Hierarchy of the Church set out to defrock him, when according to Calciu "...my priesthood was bestowed on me my a great Hierarch who was the only one who had the right to stop me from my priestly functions" "...and I know he would not have done so." This is a graphic illustration of the power of this individual Hierarch within the system.

The question of church demolition is similar in that many priests feel that the Hierarchy of the Orthodox Church generally takes too soft a stand on churches destroyed for urban expansion; however, they usually seek with success to gain permits for new buildings. They have been able to have several priceless land marks moved at great expense to the government. Recently a priest, Father Pop Alexandru from Arad was defrocked because of his protest on this issue. To this point the situation remains an inner church conflict and hopefully it will be rectified by interaction with the church Hierarchy. The ability to engage in such contacts is extremely important and it is here that the MFN process has allowed the paradox of opening Romania up to our inspection and the voicing of our concerns while yet threatening them with the closing of the door. To date, the Romanian response to our concerns is most favorable and many important cases that were with us last year have been resolved. It is my opinion that greater economic and social association could relieve some of the stresses on Romanian Society and that this should be our constructive endeavor. Because of this, I advocate the continued extension of MFN status to Romania and would urge Congress to increase its support of the Helsinki Process and those programs which call for increased cultural and economic exchange.

RELIGIOUS LIFE IN ROMANIA

Religious life in the Socialist Republic of Romania is guaranteed under Article 30 of the Romanian Constitution which states: "Freedom of conscience shall be guaranteed to all citizens of the S.S.R., anyone is free to share or not to share a religious faith. The freedom of exercising a religious assembly shall be guaranteed. The denominations shall organize and function freely. The mode of organzation shall be regulated by law."

The State of Romania provides the material conditions and the legal framework needed for autonomous organization of denominations and it is the expresesed critera of the government to not interfere in internal religious affairs. Pres. Nicolea Ceaucesiu is quoted "I hold that there is no contradition between the building of the Socialist Society and the existance of religious denominations, of citizen's right to have a religious faith.... a different approach to the philosophical problem of mankinds developement cannot hinder the existence of freedom of religion."

The organization of Churches is regulated by law on the general regime of Denominations (1948) and by internal church statutes. There are at present 14 officially recongnized faiths in Romania: The Orthodox Church, The Roman Catholic Church, The Evangelical Church, The Reformed Church, The Unitarian Church, Seventh Day Adeventist Church, The Baptist Church, The Pentecostal Church, The Ancient Christian Rite Church or Lipovean Church, The Armenian - Gregorian Church, Judaism and The Muslim faith. The Romanian law assures full equality to faiths belonging to ethnic nationalities, using their mother tongue in divine service, education and publications.

The Religious Denominations have their own financial base, including 18,000 places of wroship, vicarages, farmlands, printing houses and factories to manufacture religous articles. The budgets are derived from voluntary contributions by church members, however the state continues to pay 1/3 of the priests wages under an agreement which has exsisted since the mid 19th century. The Romanian government annually earmarks substantial funds for the maintenance and restoration of churches and other religous monuments as part of the national cultural heritage.

There are currently- four university level theological institutes, ten theological seminaries and seven schools for church music in Romanian, German, and Hungarian. The churches publish 19 religious publications in Romanian, German, Hebrew, Hungarian, Serbo-Croation, English, and French and the Orthodox publication, Telegraful Roman, has existed uninterupted since 1852. There is also structure within the law for the churches to form their own pension funds, old age homes, and insurance systems. The believers of all faith may attend unhampered, all devine services and church holidays and at the request of the member, assistance can be given both in places of worship and in private homes.

Representatives in the denominations are free to actively participate in Socialist Political life and six hierarches of the various religious bodies are also members of Romanian Parliment. The Romanian faiths as listed below are free to enter into relationship with churches in other countries and often send delegates to international church functions.

1. The Orthodox Church:

The Orthodox Church is the largest church in Romania with some 18,000,000 members (85% of the population). Christianity first came to Romania in the begining of the 1st century AD, and an episcopate exisited in Constanta as early as 325 AD. The Church was included in the Patriarchate of Constantinople and grew steadily in social influence. In the 11 to 13th century the region of Transylvania fell under the rule of the Hungarian kings and the Orthodox Church was considered "tolerated" having been deprived of most of it's rights.

After Romans independence on May 9, 1877 the Patriarch Joachim, declared The Romanian Orthodox Church to be "autocephalous" and by 1925 the church established its own Patriarchate. The church today is made up of 5 metropolitanates. Walachia, Moldavia, Transylvania, Ottenia and Banat, each of which is presided over by Archbishops or Metropolitans. There are over 12,000 places of worship with some 8,500 priests. There are 103 monasteries many of which are listed as National Monuments. The Orthodox Church publishes 10 periodicals in four private printing houses including full color publications, calendars, bibles and prayer booths. The Romanian Orthodox Church is a member of the World Council of Churches and the Conference on European Churches.

a. Serbian - Orthodox Vicarage:

This church is based in Timisoara and currently counts, 30,000 believers. It is very similar to the Orthodox Church, but recognizes the old calender. Its leaders study in the Orthodox Seminaries.

2. Roman Catholic Church:

The Roman Catholic Church began in Transylvania in the 11th century, where by, the 14th century, it had established Bishoprics in Moldavia and Walachia. The church today consists of 1,500,000 members and although never mandated by the 1948 Law on denominations, it functions freely under the Constitution. There are now 5 bishoprics with 1300 places of worship and 700 priests. The clergy are trained in the theological university at Alba Iulia.

3. The Reformed Church: (also called The Calvanist Church after John Calvin it's founder)

The Reformed Church began in Transylvania in the 16th century, mostly from proselytes from the Hungarian Catholic community. The church consists of 600,000 members-mostly all Hungarian speaking, and has its center in Cluj.

4. Evangelical Church or Lutheran Church:

The Lutheran faith came to Romania in the 16th century and flourished among the German/Saxons who settled in Transylvania. The church has 244 places of worship and conducts it's services in the German language. It has very close links with churches in West Germany.

5. Synodo - Presbyterian Evangelical Church:

This church of 30,000 believers differs only slightly from the Evangelical Church, but is made up primarily of Hungarian speaking people.

6. Unitarian Church:

Another of the Protestant faiths to reach Romania by the mid 16th century. It was banned in Romania as a heresy and did not receive offical freedom until 1918. Today it is a church of 70,000 believers, most of whom are of Hungarian extraction.

7. The Baptist Church:

The Baptist faith is one of the neo protestant faiths that came to Romania at the end of the 19th century. The Baptist Church today is organized into a union of six communities with a total of 84,000 believers from a cross section of the various nationalities. These figures do not include children who are not baptized until they become of age a topic which has been the point of some controversy within the Baptist Community. The usual age is 16 to 18 years old.

The Baptist Church has experienced tremendous growth in the last years. It has 945 places of worship and provides a 4 year training course for pastors at The Baptist Seminary in Bucharest. It is a member of The Baptist World Alliance, and The European Baptist Federation.

8. The Seveth Day Adventist Church:

The Adventist Church came to Romania from Poland in the mid 19th century. There are at present 50,000 adherents with 524 places of worship. It is one group which practices "tithing" with 10% of the believers incomes given to the church. Its membership is made up of Hungarians, Romanians and Germans.

9. The Pentecostal Church:

The first Romanian Pentecostal Community appeared in Pomania in 1922 in Arad. It achieved offical status in Romania in 1950 and since then its members have increased 5 times. There are at present 90,000 believers with 785 churches.

10. The Brethren Church:

A church of some 30,000 Believers who believe in strict interpretation of the Bible. The church has no pastors per se, but use preachers who are employed in other professions and dedicate themselves to church service in their spare time. They print a publication "The Way of Faith".

11. The Ancient Rite or Lipovean Church:

The Ancient Rite Church has 40,000 believers of Russian extraction who fled to Romania because of persecution in Russia during the 17th century. They are very similar to the Orthodox in doctrine, but carry out their services in the Slavonic language. They have 37 parishes with 56 churches.

12. Aremenian Church:

Many Armenians began to settle in Romania to persecutions as early as the 11th century. At present there are only about 2,000 believers who maintain ties with The Armenian Church in the Soviet Union.

13. Judaism:

The growth of the Jewish faith in Romania is derived directly from the period of the Diaspora, however the first organized communities began in the 18th century as Jews from other European countries sought refuge in Romania. The faith has at present 118 synagoues, with kosher food processing facilities, and its own social insurance systems. It is presided over by Chief Rabbi, Moses Rosen of Bucharest and presently numbers 25,000 faithful many having emigrated to Israel, since 1974. The community has strong international relations and is a member of The World Jewish Congress.

14. Muslim Faith:

The Ottman Empire brought the Muslim faith to Romania in the 14th century, and there are presently 45,000 members most of whom are of Turkish decent. They are organized under one Muftiat in Constanta with 79 Mosques, mostly in the south of Romania. They are independant of any Islamic authority, but Maintain International relations.

Chairman GIBBONS. Thank you.

Ms. LABER. I am going to have to be excused. I have an important engagement in New York this evening.

Chairman GIBBONS. We certainly would excuse you.

Ms. LABER. Please forgive me.

Chairman GIBBONS. We appreciate your coming.

Ms. LABER. Thank you.

STATEMENT OF ISTVAN B. GEREBEN, EXECUTIVE SECRETARY, COORDINATING COMMITTEE OF HUNGARIAN ORGANIZATIONS IN NORTH AMERICA

Mr. GEREBEN. Mr. Chairman, distinguished members of the committee, the Coordinating Committee of Hungarian Organizations in North America, the consultative body of all major Hungarian organizations in the United States and Canada, is grateful for the opportunity to present its views before this subcommittee.

We oppose the waiver applicable to the Socialist Republic of Romania. Our appointing is based on undisputable documentation of the violations committed by the Romanian Government against the basic human and nationality rights of Hungarians living in Romania.

We justify our request by the following:

With respect to Hungary, we submit that granting MFN status to Hungary has not resulted in the substantial promotion of the objectives of section 402 of the Trade Act.

The Coordinating Committee of Hungarian Organizations in North America respectfully urges the United States Congress to suspend the most-favored-nation status of the Hungarian People's Republic for 6 months starting on July 3, 1986.

The full report of the Library of Congress is in the subcommittee's files. The severity of this law is acknowledged in the State Department's Country Reports on Human Rights Practices for 1985.

The Hungarian regime by failing to modify the emigration laws to comply with the requirements of section 402 of the Trade Act of 1974 demonstrates its disregard for the United States Congress.

The attitude of the Government in Hungary on family reunification cases is reflected best by its continuous and stubborn refusal to reveal the location of the burial place of most of those who were executed by the present regime in the years after the 1956 revolution.

Repeated attempts to recover the remains or gain permission to visit the grave sites by family members failed.

An attempt by the NATO countries at the recently concluded "human contacts" meeting in Berne, Switzerland to call upon the signatory countries of the Helsinki Final Act to pay immediate attention to cases of an urgent humanitarian character, including travel to visit the grave of a family member, were rejected by the Warsaw Pact countries.

We again strongly recommend the consideration of these unique family reunification cases in the deliberation to approve the continuation of an MFN status for the Government in Hungary.

In the past 6 months, Hungarian authorities increased their activities against those Hungarian citizens who dissent, who practice their right of free speech, free assembly. Hungarian authorities also denied the right of a number of Western, private, nongovernmental groups to engage in any activities connected with the Budapest Cultural Forum held last October in Hungary.

Many United States lawmakers expressed dismay over this incident.

The end of the cultural forum signaled the beginning of intensified crackdown on Hungarian writers, publishers of samizdat. Senator D'Amato at the hearing of the Commission on Security and Cooperation in Europe on the Budapest Cultural Forum protested the dismissal of Sandor Lezsak from his position of director of the Lakitelek House of Culture for referring to the 1956 Hungarian events as a revolution, instead of the officially requested counterrevolution, at a symposium.

Senator D'Amato indicated that the review of Hungary's MFN status should take into account Hungarian behavior during and after the cultural forum.

Senator John Heinz III, in a statement published in the Congressional Record, March 11, 1986, page S2447, strongly criticized Hungary's compliance with the Helsinki Final Act human rights provisions.

Senator Heinz stated:

> I will continue to follow Hungarian compliance with the Helsinki Accords and to take that compliance into account for the annual review of Hungary's MFN status.

Our committee respectfully urges the members of this subcommittee to adhere to Senator Heinz's example.

The events on March 15, 1986, the anniversary of the 1848 uprising against the Hapsburg rule of Hungary prompted the State Department to issue a statement concluding that actions of the Hungarian authorities "call into question their commitment to observe the obligations they assumed under the Universal Declaration of Human Rights, the Helsinki Final Act and other international commitments on human rights."

Hungarian police on April 1 of this year raided and searched again the house of Jeno Nagy. "They took everything still there, down to the last paper clip," reported Nagy after the raid, which lasted more than 6 hours, was over.

On the same day, another search was conducted by the police of a private home where the samizdat Beszelo was being printed. All materials were confiscated. The two printers present were threatened and later harassed.

Recently we learned that the printers, Istvan Csorba and Miklos Sulyok were fined 9,000 forints each for violating the press laws. The owner of the apartment and his brother also were fined 9,000 forints each.

Congressman Hoyer on April 9, 1986, issued a statement saying that:

> The continuation of this crackdown on independent publishing calls into question Hungary's commitment to implement its Helsinki and Madrid pledges and can only serve to damage its image in the West.

These recent events in Hungary indicate a quantum step toward more oppression in Hungary.

Our committee's decision to ask Congress to suspend Hungary's MFN status was influenced by the deterioration of human rights conditions in that country. It is clear that in Hungary, there is a strong trend toward more severe control of the actions of Hungarian citizens, toward less tolerance of independent thought, expression. Until the trend is reversed, the United States should not grant the continuation of MFN status to Hungary.

The suspension of MFN status for 6 months will deliver a strong message to the rulers of Hungary from Congress: We take our laws, our agreements, and our principles seriously. Respect them or take the consequences. Routine extension of MFN cannot be expected, especially not until human rights conditions do improve.

The Government in Hungary is credited to implement an economic reform introducing elements of capitalistic practices in the economic system. MFN is said to encourage this economic reform. Facts do not support this contention.

Since 1979, MFN was granted to Hungary in 1978, Hungary's economy deteriorated, the standard of living consistently decreased. The introduction of some capitalistic practices into the economic system is not a sign of progressive thinking on the part of the regime, but a sign that the system is so secure that limited experimentation can be conducted without undermining the existing economic structure.

Mr. Ferenc, a member of the central committee of the Hungarian Communist Party in a May 30, 1986, interview, published in Die Zeit, gives the authentic description of the reform in Hungary:

> What we say clearly indicates that our reform is not aimed at extending the role of private property and private capital. The successes have not been caused by that. There are no private enterprises in the traditional sense in our country. However, there is a private sector that produces 5 to 6 percent of the GNP. Next to small private shops and dealers, the citizens can also establish companies that are not enterprises, not corporate bodies. The size and number of employees are correspondingly limited.

Central planning and state allocation of resources continue to be keystones of the system, and economic power remains completely in the hands of the state. Similarly, as long as the state monopolizes or controls foreign trade, commercial ties with the West are not a sign of liberalization but an avenue for allowing socialist exploitation of Western productivity and technology.

MFN status for Hungary could be justified only if it benefits the people of Hungary, not just the governing bureaucracy. To assure that this objective and the objectives of the Jackson-Vanik amendment are achieved in Hungary, we urge Congress to formulate United States trade and foreign policy in such a way that the complete political and economic situation in Hungary is considered in the light of traditional United States moral principles, as well as political and economic interests.

A 6-months' suspension of Hungary's MFN status could be the first step toward such a policy.

Thank you very much.

[The prepared statement follows:]

STATEMENT OF ISTVAN B. GEREBEN, COORDINATING COMMITTEE OF HUNGARIAN ORGANIZATIONS IN NORTH AMERICA

The Coordinating Committee of Hungarian Organizations in North America, the consultative body of all major Hungarian Organizations in the United States and Canada, is grateful for the opportunity to present its views before this Subcommittee.

We oppose the waiver applicable to the Socialist Republic of Rumania. Our appointing is based on undisputable documentation of the violations committed by the Rumanian Government against the basic human and nationality rights of Hungarians living in Rumania.

Detailed account of the situation of the Hungarian minority in Rumania are being submitted by several organizations specializing in this issue. We support those statements and their conclusions.

Based on the irrefutable facts about the harsh treatment of Hungarians in Rumania, we oppose the approval of the extension of authority under the Trade Act of 1974 to waive the freedom of emigration requirements under Section 402, and for continuation of the waiver applicable to the Socialist Republic of Rumania.

With respect to Hungary we submit that granting MFN status to Hungary has not resulted in the substantial promotion of the objectives of Section 402 of the Trade Act.

The Coordinating Committee of Hungarian Organizations in North America respectfully urges the United States Congress to suspend the Most-Favored Nation Status of the Hungarian People's Republic for six months starting on July 3, 1986.

Hungarian emigration laws are the most prohibitive in East-Central Europe. A detailed analysis of these laws and their effects were conducted by the Law Division of the Library of Congress in 1977 and 1979. According to this analysis "a Hungarian passport for permanent stay abroad may be issued only to a person who is over 55 years of age and wants to depart for the purpose of living with a parent, child or spouse, provided that he is not liable in Hungary for support or for private or public debts. The Minister of the Interior may grant exceptions from these restrictions in well-founded cases."

The full report of the Library of Congress is in the Subcommittee's files. The severity of this law is ackowledged in the State Department's Country Reports on Human Rights Practices for 1985.

The Hungarian regime by failing to modify the emigration laws to comply with the requirements of Section 402 of the Trade Act of 1974 demonstrates its disregard for the United States Congress.

The attitude of the Government in Hungary on family reunification cases is reflected best by its continuous and stubborn refusal to reveal the location of the burial place of most of those who were executed by the present regime in the years after the 1956 Revolution. The remains of the executed Imre Nagy, Pal Maleter, Miklos Gimes, Jozsef Szilagyi, the murdered Geza Losonczy, and the many scores of teenagers who were hanged on their 18th birthday between the years of 1957 and 1962 are buried in graves whose locations are kept as a state secret. The bodies were not released to the relatives. Repeated attempts to recover the remains or gain permission to visit the gravesites by family members failed.

An attempt by the NATO countries at the recently concluded "Human Contacts" meeting in Bern, Switzerland to call upon the signatory countries of the Helsinki Final Act to pay immediate attention to cases of an urgent humanitarian character, including travel to visit the grave of a family member, were rejected by the Warsaw Pact countries.

We again strongly recommend the consideration of these unique family reunification cases in the deliberation to approve the continuation of MFN status for the government in Hungary.

In the past six months Hungarian authorities increased their activities against those Hurgarian citizens who dissent, who practice their right of free speech, free assembly. Hungarian authorities also denied the right of a number of Western, private, non-governmental groups to engage in any activities connected with the Budapest Cultural Forum held last October in Hungary. Many U.S. lawmakers expressed dismay over this incident. (See Congressional Record October 17, 1985 issue, pages 513500- 513502 and pages H8893-8898 and E4694.)

The end of the Cultural Forum signaled the beginning of intensified crackdown on Hungarian writers, publishers of samizdat. Senator D'Amato at the Hearing of the Commission on Security and Cooperation in Europe on the Budapest Cultural Forum protested the dismissal of Sandor Lezsak from his position of director of the Lakitelek House of Culture for refering to the 1956 Hungarian events as a revolution--instead the officially requested counter-revolution--at a symposium. Senator D'Amato indicated that the **review of Hungary's MFN status should take into account Hungarian behavior during and after the Cultural Forum.**

Senator John Heinz III in a statement published in the Congressional Record (March 11, 1986, page S2447) strongly criticized Hungary's compliance with the Helsinki Final Act human rights provisions. He listed the attrocities committed against Mr. Sandor Lezsak, Mr. Jeno Nagy and Mr. Gyorgy Gado. The house of the latter two were repeatedly searched, samizdat publications and private papers were confiscated. Senator Heinz stated: "I will continue to follow Hungarian compliance with the Helsinki Accords and to take that compliance into account for the annual review of Hungary's MFN status."

Our Committee respectfully urges the members of this Subcommittee to adhere to Senator Heinz's example.

The events on March 15, 1986, the anniversary of the 1848 uprising against the Hubsburg rule of Hungary prompted the State Department to issue a statement (attached) concluding that actions of the Hungarian authorities "call into question their committment to observe the obligations they assumed under the Universal Declaration of Human Rights, the Helsinki Final Act and other international committments on Human rights."

Hungarian police on April 1 of this year raided and searched again the house of Jeno Nagy. "They took everything still there, down to the last paper clip" reported Nagy after the raid, which lasted more than 6 hours, was over.

On the same day another search was conducted by the police of a private home where the samizdat BESZELO was being printed. All materials were confiscated. The two printers present were threatened and later harassed.

Congressman Hoyer on April 9, 1986 issued a statement saying that: "The continuation of this crackdown on independent publishing calls into question Hungary's committment to implement its Hesinki and Madrid pledges and can only serve to damage its image in the West."

The Committee to Protect Journalists, a New York based watchdog organization with the aim to uncover, investigate, protest and publicize the plight of reporters, editors, newscasters and the press worldwide, published a news release on April 23, 1986 giving account of the harassment of writers, editors, publishers and distributors of Hungarian samizdat. The news release also reported that the Committee to Protect Journalists protested to the President of Hungary the recent crackdown on the underground press. The committee urged the Predident to end the harassment of independent writers and publishers.

These recent events in Hungary indicate a quantum step toward more oppression in Hungary.

Our committee's decision to ask Congress to suspend Hungary's MFN status was influenced by the deterioration of human rights conditions in that country. It is clear that in Hungary there is a strong trend towards more severe control of the actions of Hungarian citizens, towards less tolerance of independent thought, expression. Until the trend is not reversed the United States should not grant the continuation of MFN status to Hungary.

The suspension of MFN status for six months will deliver a strong message to the rulers of Hungary from Congress: We take our laws, our agreements and our principles seriously. Respect them or take the consequences. Routine extension of MFN cannot be expected, especially not until human rights conditions do not improve.

The government in Hungary is credited to implement an economic reform introducing elements of capitalistic practices in the economic system. MFN is said to encourage this economic reform. Facts do not support this contention. Since 1979 (MFN was granted to Hungary in 1978) Hungary's economy deteriorated, the standard of living consistently decreased. The introduction of some capitalistic practices into the economic system is not a sign of progressive thinking on the part of the regime but a sign that the system is so secure that limited experimentation can be conducted without undermining the existing economic structure. Central planning and state allocation of resources continue to be keystones of the system, and economic power remains completely in the hands of the state. Similarly, as long as the state monopolizes or controls foreign trade, commercial ties with the West are not a sign of liberalization but an avenue for allowing socialist exploitation of Western productivity and technology.

A recent interveiw with Ivan T. Berend, the new president of the Hungarian Academy of Science, in the monthly Mozgo Vilag (1985 number 11, pp 4-18), confirms the latter contention. Berend, who is well known as an economic and political historian, asserts that the large Western credits which Hungary has received in the 1970's, rather than being used for modernization of outmoded industrial technology and a general restructuring of the Hungarian economy have been wasted largely on such unproductive investments as wage increases.

The value of traded items between the U.S. and Hungary is relatively low in terms of both country's total foreign trade. The balance of trade is in Hungary's favor 2 to 1.

MFN status for Hungary could be justified only if it benefits the people of Hungary not just the governing bureaucracy. To assure that this objective and the objectives of the Jackson Vanik Ammendment are achieved in Hungary we urge Congress to formulate U.S. trade and foreign policy in such a way that the complete political and economic situation in Hungary is considered in the light of traditional U.S. moral principles, as well as political and economic interests. A six months suspension of Hungary's MFN status could be the first step towards such a policy.

ATTACHMENT

Attachment to the testimony of the Coordinating Committee of Hungarian Organizations before the Trade Subcommittee of the Ways and Means Committee, U.S. House of Representatives on Most-Favored Nation Trading Status for the Socialist Republic of Romania and the Hungarian People's Republic.

June 10, 1986

The United States Department of State - responding to a question relating to recent events in Hungary asked at the March 20, 1986 regular daily press briefing - issued the following statement:

-- WE HAVE SEEN REPORTS OF A VIOLENT BREAKUP OF A PROTEST DEMONSTRATION IN BUDAPEST ON MARCH 15 BY HUNGARIAN POLICE. THERE HAVE ALSO BEEN RECENT REPORTS THAT A NUMBER OF HUNGARIAN DISSIDENTS CONNECTED WITH INDEPENDENT, UNOFFICIAL PUBLICATIONS HAVE UNDERGONE REPEATED HOUSE SEARCHES, CONFISCATIONS OF MATERIALS, AND ADMINISTRATIVELY IMPOSED FINES IN RECENT MONTHS.

-- WE ARE VERY DISTURBED BY THE ACTIONS OF THE HUNGARIAN AUTHORITIES IN SUPPRESSING PEACEFUL DEMONSTRATIONS BY HUNGARIAN CITIZENS.

-- WE ARE ALSO DISTURBED BY THE REPEATED HARASSMENT OF PERSONS CONNECTED WITH INDEPENDENT PUBLISHING IN HUNGARY. IN PARTICULAR, JENO NAGY (NADj) AND GYORGY GADO HAVE HAD THEIR APARTMENTS SEARCHED A NUMBER OF TIMES IN RECENT MONTHS, MOST RECENTLY ON MARCH 11, AND HAVE HAD PAPERS, DOCUMENTS, PUBLICATIONS AND OTHER MATERIALS CONFISCATED. THEY HAVE HAD HEAVY FINES IMPOSED ON THEM BY POLICE ADMINISTRATIVE AUTHORITIES.

-- THE RIGHTS OF PEACEFUL DEMONSTRATION AND PEACEFUL FREE EXPRESSION ARE JUST THAT: FUNDAMENTAL HUMAN RIGHTS. THE RECENT ACTIONS BY THE HUNGARIAN AUTHORITIES TO LIMIT EXPRESSION OF THESE RIGHTS CALL INTO QUESTION THEIR COMMITMENT TO OBSERVE THE OBLIGATIONS THEY ASSUMED UNDER THE UNIVERSAL DECLARATION OF HUMAN RIGHTS, THE HELSINKI FINAL ACT, AND OTHER INTERNATIONAL COMMITMENTS ON HUMAN RIGHTS.

Chairman GIBBONS. Thank you, sir.

Mr. Crane.

Mr. CRANE. Thank you, Mr. Chairman, and I want to congratulate all of you on your testimony.

Mr. Hamos, Mr. Pacepa was invited to testify and respectfully declined because of what he felt were bona fide fears on his security and his life, in fact. Do you think, based on your own experiences, there is any validity to that fear?

Mr. HAMOS. There quite likely is. I understand—I have gotten information from him through another person—that an order that was issued, back in 1978, in Romania that was directed toward my own assassination. I was quite shocked to hear this, and, obviously, since I'm still here, the order wasn't carried out successfully. There are other instances of subversion and terrorism, particularly in Western Europe, that substantiate what I am saying. Obviously, the Romanian Government is not content to terrorize its own population, but in fact exports it outside its own borders. There are instances indeed of human rights activists in Western Europe who have been beaten and there is an instance of a Radio Free Europe broadcaster who was stabbed repeatedly. So I don't think that the fear expressed by Mr. Pacepa was particularly unjustified.

Mr. CRANE. Is it true that before your last appearance before this committee that you had a car blown up?

Mr. HAMOS. There was an instance which occurred, as a matter of fact, on August 23, 1978, which happens to be Romania's national holiday. That fact had some significance, according to the FBI. On that day, a car was blown up that belonged to my father-in-law, who was at that point the plaintiff in a libel lawsuit involving the Romanian Government. It was a rather involved case and there was evidence to indicate the FBI indicated this at the time—that Romanian Government agents were probably behind this severe burning of the car. I have rarely seen anything as shocking as the sight of that burned-up car.

Mr. CRANE. Mr. Crossley, how many religions did the Department of Religion in Romania recognize before the Communist takeover; do you know?

Mr. CROSSLEY. Excuse me, could you repeat that?

Mr. CRANE. How many different religious denominations were recognized by the Department of Religion in Romania before the Communist takeover?

Mr. CROSSLEY. I can be incorrect on the exact number, but I am aware of 12.

Mr. CRANE. And it is 14 now?

Mr. CROSSLEY. It has changed from time to time. In the 19th century, there were religious denominations illegally there. They would, again under a new constitution, find some way to accommodate another particular denomination, but it could come and go. I can provide you with that information exactly.

Mr. CRANE. Do you know whether the patriarch of the Romanian Orthodox Church has or had had any direct connection with the Romania secret intelligence—in effect their KGB over there?

Mr. CROSSLEY. The current patriarch—do I know personally; no. I know from the emigre community that many of them said yes, he has worked with the security. He is also a member of the Romanian Parliament. In that capacity, I am sure that, as in any Socialist country, he is going to be in a position to at least be doing business with them.

The Orthodox Church believes in standing, so to speak, between the state and the people. That is part of it. The previous patriarch was a very excellent man, a man who was loved dearly, and he had fought his way into the highest position of power and authority within the Orthodox Church up through the Communist regime, before the time of Ceausescu, and yet he was a good man, so it wasn't like a good man couldn't find his way into that position and only evil people could.

Concerning the current one, I am not personally aware of that. I have heard rumors and I think that is what such things are.

Mr. **Crane**. He is viewed as, notwithstanding that connection, a good man by most Romanians today that are members of the Orthodox Church?

Mr. **Crossley**. Just of Romanians inside the country, I would say yes, I would say the patriarchs are revered and the bishops. Also, if you would see a bishop walk down the street in Romania, the people will run up to kiss his hand. I have seen that oftentimes. I know of other days where young people who were not particularly religious had the opportunity to meet the patriarch as well as other Government officials, and when they came home their parents asked, What was he like? And they said, you mean President Ceausescu? No, the patriarch, what was he like? You have to understand that he represents something very special to them. I am in no position to judge the current patriarch personally.

Mr. **Crane**. Thank you again for your testimony. I appreciate it.

Chairman **Gibbons**. I want to thank all of you who have testified today, particularly this panel, and all members of the audience who have been so patient to sit here and wait and listen. It is obvious that all is not sweetness and light in Eastern Europe or in China, but I think for myself I really see very little option other than to stick in there and try to keep pursuing what we believe to be right, pursuing it vigorously and intensively.

I don't think we are going to gain anything by isolating ourselves any more than we have from that part of the world. I think we have suffered and they have suffered because of the isolation that we have imposed upon our relationship. So any intervention in that part of the world is important, and I want to be vigorous, I want to have a vigorous American presence there. Therefore, I support more trade for them. I think that is one way of creating an American presence.

I would also create a cultural exchange. We may learn something from them and they can learn a lot from us, and I would support those kinds of things because I think that is one of the ways into men's hearts and minds, and I think, from what I gather from these hearings today, it is not time to be timid, to back off in our relationship; it is a time to move forward very vigorously and to push greater activity in Eastern Europe.

I would look at all of these people and the terrible political decision that in effect made Russian satellites out of that area of the world. I have studied Eastern European history and participated in some of its history, and I feel that we have not done what should be done over there, but I don't think that we can do it by further limiting our intercourse with that area. I think we must vigorously and effectively move into that area whether it is Pepsi-Cola or whatever it is, I think we need to be there and we need to be constantly preaching and teaching and pushing and cajoling and demanding, and whatever it takes to get our points across.

But at the same time, I think we should be trying to expose their leaders and their people who are caught there to more of the Western ideal.

This concludes our hearings on the most-favored-nation status of Romania, Hungary, and the People's Republic of China. As I said before, I want to thank all the witnesses. It took a great deal of stamina, as well as courage, to come here and sit all day.

The record will remain open until Friday, June 14, for the submission of testimony for the record and, with that, the meeting is adjourned.

[Whereupon, at 6:15 p.m., the hearing was adjourned.]

[Submissions for the record follow:]

STATEMENT OF M.W. SEARLS, JR.
DEPUTY ASSISTANT SECRETARY
FOR EAST ASIA AND PACIFIC
BEFORE
THE HOUSE WAYS & MEANS COMMITTEE
SUBCOMMITTEE ON TRADE
JUNE 10, 1986

INTRODUCTION

I am pleased to submit testimony to this Committee on the continuation of MFN status for China. My remarks today will focus on developments in our commercial relations during the past year.

U.S.-PRC TRADE

U.S.-China trade reached an all-time high of $8.08 billion last year, an increase of 26.5 percent over 1984. China became the 16th largest trading partner of the United States in 1985, compared to 19th in 1984. The U.S. deficit in trade with China dropped slightly, from $377 million in 1984 to $369 million in 1985. In the first three months of this year, U.S.-China trade totalled $2.270 billion, up 30 percent from the same period in 1985. The U.S. had a deficit of $429 million in the January-March period, compared to a $169 million deficit a year ago.

U.S. exports to China reached a peak of $3.86 billion in 1985, up 28.3 percent from 1984. The previous peak year was 1980 when $3.7 billion worth of U.S. goods were sold to China. U.S. agricultural exports to China not including forestry products have declined sharply in recent years - falling from 58 percent of total exports in 1979-1980 to less than 4 percent in 1985. Making up for this decrease in agricultural exports was the increase in exports in the machinery and equipment sectors. Export gains were also registered in textile yarn and fabrics, forestry products, instrumentation, metal manufactures, and commercial aircraft and parts. There was a significant decline, however, in U.S. sales of chemicals, especially fertilizers.

U.S. imports from China totalled $4.2 billion in 1985, an increase of 25 percent over the 1984 level. These imports have been predominately clothing and textiles and petroleum-related products. Other leading imports in 1985 were toys, games, and sporting goods, metal manufactures, nonferrous metals, vegetables and fruits, chemical elements and compounds, footwear, nonmetallic minerals, and glassware and pottery.

STATUS OF COMMERCIAL RELATIONS

During the past year we witnessed a remarkable expansion of our bilateral economic ties with China. Trade and investment reached record levels. Many American and Chinese firms signed long-term agreements. Issues which threatened to impede our relationship were resolved amicably. As a result, our commercial relationship with China today is vibrant and strong.

Just last month we held wide-ranging, frank, and productive discussions on ways to continue the growth of commercial relations between our two countries. The U.S.-China Joint Commission on Commerce and Trade, chaired by Secretary Baldrige and Chinese Vice Premier Yao Yilin provided the opportunity to discuss issues important to the development of our trade relationship including technology transfer, business conditions, investment barriers, the bilateral investment treaty, and the status of the Trade Development Program, Overseas Private Investment Corporation, and Industrial and Technological Cooperation Accord programs in China.

We have used our bilateral discussions to encourage the Chinese to create a favorable trade and investment environment. In this regard we have conveyed the concerns of U.S. businesspeople to the Chinese. These concerns include access to the Chinese market for American goods, repatriation of profits and the availability of foreign exchange, the lack of a copyright law or protection for computer software, the lack of adequate business facilities in China, and the rising costs of labor, housing, and business facilities. The Chinese welcomed our views and indicated their intention to create favorable conditions for U.S. participation in their economy.

I am pleased to report that during the past year, substantial progress has been made in the field of export licensing. The technical limits on the most commonly sold equipment to China have been significantly relaxed. The speed with which licenses are being approved has also improved. Specifically, U.S. initiatives in COCOM over the past year resulted in the publication of an expanded list of commodities receiving favorable (green zone) treatment. These changes have supported a significant increase in U.S. sales of high-tech items to China. In 1984, 4,400 validated export licenses, valued at $1.9 billion, were approved for China. In 1985, 8,600 licenses were approved, valued at $5.4 billion.

In the textile trade area, we have learned to manage our differences in a constructive manner. At one time a volatile issue which threatened to disrupt the relationship itself, the textile issue today is being handled in a businesslike way through consultations. Of 41 calls on textile import categories, 23 have been settled successfully and amicably.

We have also agreed to reopen negotiations on a bilateral investment treaty. The talks, which have been stalled since last year, will focus on the major outstanding issues, including access to arbitration, the adequacy of compensation, and the primacy of the treaty over fluctuations in domestic law. We hope that this, the seventh round, will result in an agreement which will encourage American firms to invest in China by assuring the stability, predictability, and transparency of China's investment climate.

The U.S. and China have signed a number of agreements during the past year which will further consolidate the economic and commercial gains made since 1980. Moreover, these agreements offer considerable potential for U.S. companies' involvement in China.

During the May session of the JCCT we signed a fifth work program under the Industrial and Technological Cooperation Accord (ITCA). Since the signing of the ITCA by President Reagan and Premier Zhao Ziyang in 1984, approximately 150 U.S. companies have participated in eight different executive level promotional exchanges. The Work Program exchanges have provided U.S. companies access to high-level Chinese ministerial and trade organization representatives and have contributed to these firms' marketing and sales efforts in China. They have also resulted in several contracts between the U.S. companies and Chinese organizations. The new Work Program is in machine building and calls for U.S. manufacturers to discuss cooperative projects in the machine building industry, one of China's largest, with Chinese officials.

We also signed TDP grant agreements to fund feasibility studies for two projects in China, one involving a toxic waste plant in Northeast China and another for conversion from oil to coal of four power plants. The TDP program has been a major positive force in the developing commercial cooperation between the U.S. and China. TDP provides funding for feasibility studies to help U.S. firms get in on the ground floor of projects with large U.S. export potential. Several sales of U.S. equipment have resulted from some of the earlier TDP grant agreements.

The fourth agreement signed during the JCCT provides a mechanism for cooperation between the U.S. and China in telecommunications. Under the agreement U.S. experts will help China modernize its civil telecommunications system. The first technical exchange will take place with a proposed visit by a team of U.S. experts to China in late 1986.

We have made progress in a number of other areas as well. Reciprocal joint legal seminars have built a greater understanding of the legal framework for U.S.-China trade. Last fall a delegation of U.S. lawyers visited Beijing and Guangzhou to lecture on U.S. trade and commercial law. At the end of this year a Chinese delegation will visit the U.S. to discuss recent developments in the Chinese legal environment. We have also agreed in principle to institute a series of technical exchanges in the area of trade and project finance. This is a subject of particular interest to both sides given China's need to manage carefully its foreign exchange reserves.

The numerous government to government exchanges, the JCCT, the ITCA work programs, and the TDP programs have all led to the creation of a stable trade relationship between our country and the PRC. While problems remain, a strong foundation of shared economic and political interests will continue to support an expansion of our trade and investment relations.

Mr. Chairman, the continuation of MFN status remains an essential and basic part of our expanding economic and commercial relationship with China.

EX IM
American Association of
Exporters and
Importers 11 West 42nd Street, New York, NY 10036 (212) 944-2230
Cable: AAOEXIM

EUGENE J. MILOSH
President

June 13, 1986

Joseph K. Dowley
Chief Counsel
Committee on Ways and Means
U.S. House of Representatives
1101 Longworth House Office Building
Washington, DC 20515

Dear Mr. Dowley:

The American Association of Exporters and Importers represents over 1,000 firms involved in exporting and importing products and commodities in a broad range from textiles and apparel through food products, electronics, chemicals and many other consumer and industrial products.

As such many of our member firms have invested time and money to develop the Romanian market and maintain businesses that benefit both the United States and Romania. A great deal of effort went into their bilateral relationship and a great deal of improvement in business conduct and behavior has ensued. For instance, access to Romanian enterprises has been made easier and the flow of business communications has been relaxed. Thus, trade between the two nations provided a means to reduce barriers and achieve a better understanding of Western behavior and market concepts. Obviously, extending MFN even on a temporary basis has been instrumental in facilitating this transition. For this reason the American Association of Exporters and Importers is in favor of continuing MFN treatment for Romania.

Any disruption of this trade would not only have adverse affects on the U.S. business community and the consumer, but would drive Romania back towards the East and dash the progress already achieved and hoped for in the future.

Sincerely,

Eugene J. Milosh

" THE AMERICAN-ROMANIAN NATIONAL COMMITTEE FOR HUMAN RIGTS"
345west,86th St # 717
New York City,,NY 10024
Phone(212)8739600x717

STATEMENT of Dimitrie G.APOSTOLIU,Ph.D.
President of "THE AMERICAN-ROMANIAN NATIONAL COMMITTEE FOR HUMAN RIGHTS"
SPOKESMAN OF HUNGER STRIKERS
BEFORE:
THE SUBCOMMITTEE ON TRADE
COMMITTEE ON WAYS AND MEANS
U.S.HOUSE OF REPRESENTATIVES
On Tuesday June10,1986
OPPOSING:
To U.S.CONGRESS GRANTING OF " THE MFN" STATUS TO COMMUNIST ROMANIA!

"GOD MADE MAN TO BE FREE"
(MATHEUS)

HONORABLE Mr.CHAIRMAN,
DISTINGUISHED U.S.CONGRESSMEN,
MEMBERS OF THE COMMITTEE,

As President of " THE AMERICAN-ROMANIAN NATIONAL COMMITTEE FOR HUMAN RIGHTS". organiser,participant and spokesman of TWENTY TWO"ROMANIAN HUNGER STRIKES FOR: FORCED SEPARATED FAMILIES REUNION IN THE U.S.A and for THE RESTORATION OF HUMAN RIGHTS and of FREEDOM OF RELIGION in COMMUNIST ROMANIA" and as former 16 years POLITICAL PRISONER in COMMUNIST ROMANIA's POLITICAL JAILS and into THE FORCED LABOR CAMP" THE CANAL DANUBE-BLACK SEA"("THE CANAL OF DEATH"),today, on the floor of THE MOS DEMOCRATIC LAWMAKES FORUM OF THE WORLD-THE U.S. HOUSE OF REPRESENTATIVES- in my personal name and in the one of HUNGER STRIKERS.-

- I AM ASKING THAT THE US.CONGRESS TO DO NOT GRANT ANYMORE "THE MOST FAVORED NATION's CLAUSE STATUS("M.F.N")TO TERRORIST president Nicolae CEAUSESCU of COMMUNIST ROMANIA NOR TO HIS COMMUNIST GOVERNMENT,WHO:KEEP OUR RELATIVE HOSTAGE VIOLATES THE HUMAN RIGHTS,DEMOLISHES CHURCHES WITH BULDOZERS, ARRESTED, KILLED, PROSECUTED ,CONVICTED TO POLITICAL JAILS,CONFINED TO PSYCHIATRIC HOSPITALS AND FORCED LABOR CAMPS, PRIESTS, PREDICATEURS,PASTORS,AND WORSHIPERS OF ANY KIND OF RELIGIOUS DENOMINATIOS, MAKES TOILLET PAPER FROM SAINT BIBLES,SUPPORT THE INTERNATIONAL TERRORISM BY MILITARY TRAINING,ON ROMANIAN SOIL AND OVERSEAS,BY WEAPON AMMUNITIONS,FOOD, CLOSING,INTELLIGENCE GATHERING,SAFEHOUSES IN COMMUNIST ROMANI FOR TERRORIST WHO KILLED INNOCENT PEOPLE ESPECIALY WOMEN,CHILDREN AND ELDERS IN WESTERN EUROPE,SOLD AGAIN ROMANIAN TERRITORIES BASSARABIA AND NORTH OF BUCOVINA TO USSR,AND TERRORISE TWENTYTWO MILLIONS OF ROMANIAN PEOPLE WHO ARE NOT COMMUNIST PARTY MEMBERS AND ARE WORSHIPPING THEIR CHRISTIAN FAITH!

FACTS:

On your desk, there is **THE** LIST of THE HUNGER STRIKERS and of THEIR HOSTAGE RELATIVES FROM COMMUNIST ROMANIA.Article 13 of"THE UNIVERSAL DECLARATION OF HUMAN RIGHTS of The UN" provide"Everyone has the right to leave any country, including his own and to return to his country"...

ALL THE HOSTAGE RELATIVES OF AMERICAN CITIZENS AND RESIDENTS BY ROMANIAN DESCENTS, TRIED TO APPLY TO BE REUNITED WITH THEIR RELATIVES IN THE USA, FROM YEARS AGO, BUT"THE SECURITATE "(COMMUNIST PARTY's SECRET POLICE OF USSR's"KGB"TYPE) DID NOT GIVE TO THEM EVEN THE APPLICATION FORMS.

-OVER-

The would be emigrants who wanted to be reunited in The USA with Their FORCED SEPARATED FAMILIES AREPERSUADED BY SECURITY TO RENONCE TO THEIR INTENTION OF EMIGRATE,BEING THREATENED WITH CONFINEMENT TO PSYCHIATRIC HOSPITALS.

- A famous ROMANIAN artist, with lot of prizes for her artistic work,Miss Rodic IONASCU,M.A. of Barajul Bicaz No11 c,Bloc M32 A,Scara A,Etaj8,Apt 106,Sector 3, Bucuresti,applied to be REUNITED with her FIANCE,Adrian,MATEESCU,M.A.other famous ROMANIAN artist former POLITICAL REFUGEE,now PERMANENT RESIDENT,working in advertising field for AMERICAN T.V,residing at 18-28 Grove St#2R Ridgewood,N 11.385.SHE WAS SUMMONED ON MARCH 7,at SECURITY's OFFICE OF PASSPORTS AND VISAS ON NICOLAE IORGA St in Bucharest.WHERE WAS HARD BEATEN UP WITH A HAMMER OVER HE ARMS.THE SECURITY'S OFFICERS THREATENED HER THAT " IF SHE WILL NOT SIGN AT ONCE THAT SHE IS GIVING UP HER INTENTION TO EMIGRATE TO THE USA TO BE REUNITED WITH HER FAINCE Adrian,MATEESCU,MA in NY.-SHE WILL BE BEATEN OVER HER FINGERS WITH THAT HAMMER UNTIL HER FINGERS WILL BE BROKEN-AND SHE WILL CAN NEVER TO PAINT!..

- Doinita CROITOR of Strada WALTER ROLL No7,Suceava, applied to be REUNITED in New York city with her FIANCE Ioan,TARZIU,AMERICAN CITIZENSHIP APPLICANT, forme POLITICAL PRISONER in COMMUNIST MROMANIA where he was a member of the underground ROMANIAN COMMITTEE FOR THE DEFENSE OF RELIGIOUS FREEDOM AND THE ONE OF CONSCIENCE founded in Bucharest by Rev Pastor Pavel,NICOLESCU in 1978.-

The Major of SECURITY COCAN, COMMANDER of SECURITY's OFFICE OF VISAS AND PASSPORTS Of SUCEAVA CITY,arrested the BORN AGAIN CHRISTIANS Adrian APREOTESEI of TOPLE Village,Pavel ANTONESEI of Suceava city,Viorel Bujoreanu of Podeni Village, Vasile HOBLEA of Burdujeni and Gheorghe CROITORU of SUCEAVA,Dointta's uncle-and torrtured them to testify that they received bibles from Rev Pastor POPLACEANU ,pastor of BAPTIST CHURCH No 2 of SIBIU,- AND THAT THEY SPARED THOSE BIBLES ALL OVER THE COUNTRY TOGETHER ...Doina CROITORU!A "CRIME FOR ONE CAN BE CONVICTED I COMMUNIST ROMANIA TO 10 YEARS OF POLITICAL JAIL!...

BUT THEY RESISTED, AND DOINTTA CROITORU TOO,AND NONE OF THEM TESTIFIED AGAINST DOINITA CROITORU...

- Florin,GHIOCA,22, of GALATI CITY, applied to BE REUNITED IN New York City. with his mother Dumitrita GHIOCA.When applied HE WAS LAYD OFF FROM HIS JOB. In the same day HE WAS ARRESTED "FOR PARASITISM"(DO NOT WORK...) AND CONVICTED TO SIX MONTH OF POLITICAL JAIL. HE WAS RELEASED ON JUNE 3,1986 DUE TO THE AMNESTY OF JUNE 1,1986...

- On January 11,1984 COLONEL OF MILITIA CAPITALEI BAJENARU arrested Mr Ion, GEORGESCU of Bucharest, under the eharge that he payd a bribe to get passports for himeelf and his children to be REUNITED WITH HIS WIFE(AND CHILDREN's MOTHER Mrs Georgeta GEORGESCU of Palisades,New Jersey.COLONEL BAJENARU CONFISCATED THE PASSPORTS OF Ion GEORGESCU(father-the arrested one)Ruxandra GEORGESCU(daughter) Ruxandra's husband Florin-Constantin MIHAILESCU,and Cristian-Ionut GEORGESCU,sc THE CHILDREN WERE WITHOUT ANY PLACE TO STAY,NO JOB, AND Florin WAS EXPELLED FRC HIG SCHOOL THEY WERE PERSUADED BY SECURITY TO SIGHN THAT THEY GIVE UP THEIR INTENTION TO EMIGRATE, AND THEIR FATHER WILL BE RELEASED.THEY DID NOT SIGN!... FINALY, THE FATHER, Ion,GEORGESCU WAS RELEASED FROM SECURITY's JAIL of BUCHARES ON MAY 17,1986-AFTER TWO YEARS OF UNLAWFUL DETENTION,BUT THE PASSPORTS WERE NOT GIVEN BACK TO GEORGESCUS8 !...

-Daniel-Gabrile,DUMITRU,17,of Bucharest, WAS ARRESTED AND CONVICTED UNDER MADE UP BY SECURITY CHARGES...after applied together his father Ionel,DUMITRU and his youngest brother Dragos-Ionel,DUMITRU to be REUNITED with their mother(and wife) Ioana DUMITRU of 106 N.Commonwealth Ave# 205,Los Angeles,Ca9004.-

Mr Ionel,DUMITRU WAS LAYD OF in 1983 from his job as electronist and both kids were expelled from High School...

THERE IS POSSIBLE THAT Daniel-Gabriel DUMITRU TO BE RELEASED FROM POLITICAL JAIL DUE TO THE STRONG INTERVENTION DIRECTELY TO TERRORIST PRESIDENT Nicolae CEAUSESCU BY "AMNESTY INTERNATIONAL" BUT THE PASSPORTS ARE STILL DENIED!...

- Very Rev.Father Vasile,POPESCU whose wife's mother and brother(Eugenia RADULESCU and Aurel RADULESCU, Master in Divinity)are US CITIZENSHIP APPLIVANTS and New York City's residents-WAS SUMMONED TO SECURITY OF VILCEA CITY AND TORRTURED TO SIGN UP THAT"HE WILL NOT JOIN HIS FAMILY TO EMIGRATE TO THE USA"(in1985)

- OVER-

He signed BUT AFTER TWO WEEKS APPLIED AGAIN TO EMIGRATE WITH HIS WIFE AND FOUR DAUGHTER TO THE U.S.A.-

HIS WIFE, SUMMONED TO THE SECURITY's OFFICE FOR VISAS AND PASSPORTS IN RIMNICUL VILCEA,did not show up and therefore...DID NOT SIGNED UP "THAT SHE WILL NOT EMIGRATE TO THE USA TO BE REUNITED WITH HER MOTHER AND BROTHER(TOGETHER HER HUSBAND AND FOUR MINOR DAUGHTERS)

- Very Rev.Father Vasile.POPESCU -WAS FINED WITH 10.000 LIONS(LYON=ROMANIAN CURRENCY;Official change:1LYON=12 US DOLLARS)BECAUSE HE BUILD A SHRINE WITH PUBLIC SUBSCRIPTION AND VOLUNTARY WORK OF PEASANT PARISHIONERS-DESPITE THE FACT THAT "THE COMMUNIST YERARCHY" OF THE CHURCH REFUSED TO GIVE THE APPROVAL THAT THE SHRINE TO BE BULD(THEY DEMOLISHE CHURCHES,AND CAN AGREE TO BULD NEW ONES!)

-As rector of THE GREEK ORTHODOX CHURCH OF IONESTI TOWN DISTRICT VILCEA,he took his four daughter to sing in CHURCH CHOIR. BECAUSE THERE IS FORBIDEN THE RELIGIOUS EDUCATION IN CHURCHES IN COMMUNIST ROMANIA-HE WAS FINED FOR"THIS CRIME" TO PAY ABOUT 3,000 LEI HIS MONTHLY salaryIS OF 500LEI(LYONS)!...

- Dumitrescu,MARIA of Splaiul Mongoliei No 1, LUGOJ, the mother of OPPONENT Rev Father Viorel DUMITRESCU(arrived in The USA one year ago after was martiryzed by COMMUNISTS being OPPONENT and DEFENDER OF RELIGIOUS FREEDOM AND OF HUMAN RIGHTS in COMMUNIST ROMANIA)DID NOT RECEIVE THE APPLICATION FORMS FROM SECURITY AND IS HARASSED AND TERRORISED BY!...

-Ana,ANDRONE(**Maiden Name HRISTESCU**)with her husband Adrian-Paul,HRISTESCU and t their son,7,Alexandru-Andrei, ANDRONE of:Strada 10 MESE No7,Sect2,Bucuresti.- THE DAUGHTER OF U.S.NATURALISED CITIZENS Jean HRISTESCU and Elena HRISTESCU and two AMERICAN brothers- HAD HER APPLICATION DENIED TO DATE...ELEVEN TIMES!...

- Ioan VINCHICI,born in Hisias-District TIMIS on7.20.1899- therefore the one from "THE PREVIOUS CENTURY" who applied to BE REUNITED WITH HIS SON,REV.FATHER Ionel,VINCHICI-AN OPPONENT PRIEST FIGHTER FOR FREEDOM OF RELIGION AND FOR THE HUMAN RIGHTS in COMMUNIST ROMANIA where from just arrived in The USA on 3.12. 1986,after torrtured by SECURITY and HARASSED FOUR YEARS WITHOUT JOB.-WAS THREATENED WITH "CONFINEMENT TO PSYCHIATRICT HOSPITAL IF HE WILL NOT GIVE UP HIS INTENTION TO EMIGRATE TO THE USA!...

- Maria,TIRU, Rev Father Ionel VINCHICI sister ofCOMUNA GAVOJDIA No 171,Judetul TIMIS,ROMANIA,is working in a factory in LUGOJ CITY.BECAUSE SHE REFUSED TO WORK VOLUNTARELY FOR THE COLLECTIVE FARM AFTER COMEBACK FROM HER FACTORY 's JOB AND SUNDAY,-SHE WAS FINED WITH A TOTALE OF 12,000LIONS(LEI=LYON=ROMANIAN CURRENCY) OF COURSE THAT LUGOJ SECURITY'sOFFICE FOR PASSPORTS AND VISAS REFUSED TO GIVE TO HER THE APPLICATION FORMS FOR EMIGRATION TO THE USA!...

IERARCHS OF ROMANIAN CHURCH ASSASINATED BY COMMUNISTS

A.- GREEK-ORTHODOX IERARCHS

1.+ Nicodim,MUNTEANU,PATRIARCH of ROMANIAN ORTHODOX CHURCH
Poisoned by COMMUNIST ROMANIAN SECURITY on Feb.7,1948

2. + Policarp MORUSCA. BISHOP of ROMANIAN GREEK-ORTHODOX
BISHOPATE OF USA AND CANADA
Killed by ROMANIAN COMMUNIST SECURITY,in ROMANIA.-

3+ Partenie.CIOPRON. **BISHOB** of THE ARMY OF THE KINGDOM
OF ROMANIA.
Exilled by SECURITY toVARATEC MONASTERY and assasinated
over there by SECURITY.-

4+ Irineu.MIHALCESCU-METROPOLITAN of MOLDAVIA.summoned to
The President of Council of State-Dr.PETRU GROZEA.was
drove by car from IASI city to Bucharest byTHE SECURITY
COLONELS THE BROTHERS CANDEA-ONE OF THEM BEING THE PRESIDENT
OF " ASOCIATIA ROMANIA"(THE ASSOCIATION ROMANIA")WHICH
RECRUITE SPIES WITHIN ACADEMIC WORD.AND WITHIN THE YOUNG
STUDENTS OF THE FREE WORLD

Thus, the foreign students (especialy recruited from ROMANIAN REFUGEES or from young foreigners by ROMANIAN descents)receive grants from"ASSOCIATION ROMANIA"(**President:**Prof.Dr. CANDEA)to ROMANIAN UNIVERSITIES. Over there they are educated in different fields BUT,IN THE SAME TIME, U.S.S.R's "K.G.B" OFFICERS IS GIVING TO THEM TRAINING IN ESPIONAGE... During the vacations they comeback to their countries where ARE SPYING IN BEHALF OF USSR,and are reporting to "K.G.B" residents. After graduation they return to their countries,are working in their fields.AND IN THE SAME TIME ARE SPYING INUSSR's SPIES NETWORK,AND ARE REPORTING TOO, TO "K.G.B" RESIDENTS...

...From IASI to Bucharest,THE CANDEAS BROTHERS .ALL THE WAY, BEATEN UP METROPOLITAN MIHALCESCU.ARRIVED INTO THE OFFICE OF President of The COUNCIL OF STATE:Dr PETRE GROZEA, this one threatened the METROPOLITAN that"IF HE WILL NOT RESIGN AT ONCE, WILL BE SEND TO THE POLITICAL JAIL "JILAVA".TERRORISED BY "CANDEA BROTHERS, THE METROPOLITAN SIGNED UP HIS RESIGNATION, BUT,BECAUSE OF PRESSURES ENDURED,HE DID A HEARTH ATTACK.- HIS PERSONAL MONK"TEOCTIST"WHO GOT A SPECIAL TRAINING AS NURSE,KNOWING THAT METROPOLITAN MIHALCESCU **SUFFERED OF HEARTH AILMENT**,INSTEAD TO GIVE TO HIM THE APPROPIATE MEDICINE...POISONED HIM!...

NEXT DAY, THE COMMUNIST NEWSPAPERS REPORTED"THAT METROPOLITAN Irineu MIHALCESCU of MOLDAVIA, DIED IN THE OFFICE OF Dr.PETRE GROZEA, The President of THE COUNCIL OF STATE...BY HEARTH ATTACK!...

MONK TEOCTIST WAS PROMOTED IMMEDIATELY AS BISHOP OF ARAD,FOR HIS CRIME! AND THEN, WAS PROMOTED AS **METROPOLITAN OF MOLDAVIA!**..UNDER GREEK-ORTHODOX ROMANIAN CHURCH TRADITION, THE FUTURE PATRIARCH OF THE CHURCH MUST BE: METROPOLITAN OF MOLDAVIA. THEREFORE, THE SECURITY AND "K.G.B" ASSURED TO HAVE THEIR HITMAN"TEOCTIST"AS PATRIARCH OF GREEK-ORTHODOX CHURCH OF ROMANIA!...

B.- ROMANO-CATHOLICS IERARCHS

1.+ Anton,DURCOVICI-BISHOP.Died in POLITICAL JAIL"SIGHET" on: December 10,1951.-

2.+ Iuliu,HOSU-CARDINAL,exilled to CALDARUSANI MONASTERY(near Bucharest)WAS POISONED BY "SECURITY" over there in 1970,by Nicolae CEAUSESCU's PERSONAL ORDER!

3.+ Ghica,VLADIMIR-MONSEGNIOR,assasinated in POLITICAL JAIL"JILAVA" on:January 16,1952.-
4.+ Paca,AUGUSTIN- BISHOP, assasinated in TIMISOARA CITY SECURITY's JAIL
5.+ Sheffer IANOSI- BISHOP-assasinated in SIGHET POLITICAL JAIL.
6.+ GLOSSER-BISHOPATE SUPRVISOR(VICAR)died in POLITICAL JAIL on MAY 2,1950

C.- GREEK-CATHOLICS IERARCHS

1.+ Aftenie,VASILE-BISHOP- ASSASINATED DURING INVESTIGATIONS AT BUCHAREST SECURITY on MAY 6,1950.-
2.+ Frentiu,TRAIAN-VALERIU,-BISHOP- killed in POLITICAL JAIL "SIGHET" on JULY 17,1952
3.+ Balan,IOAN-METROPOLITAN,exilled to CALDARUSANI MONASTERY, was killed over there by SECURITY.-
4.+ Chinezu,TITU-LIVIU.-BISHOP-killed by SECURITY in "SIGHET" POLITICAL JAIL.on:JANUARY 15,1955
5.+ Rusu,ALEXANDRU.-BISHOP-killed by SECURITY in POLITICAL JAIL " GHERLA" on MAY 9.1963.-

6.- Suciu,IOAN-METROPOLITAN,killed by SECURITY in POLITICAL JAIL "SIGHET" on JANUARY 27.1953

- OVER

PRIESTS,PASTORS,PREDICATEURS AND CHRISTIANS WORSIPERS,KILLED AND TORRTURED BY COMMUNISTS.-

1.+ GREEK-ORTHODOX Very Rev Father Dumitru,ZAMINISCU,released from POLITICAL Jail by The Firsr POLITICAL MERCY in COMMUNIST ROMANIA of April1964,-he continued to preaches against ATHEISM, TERRORISM AND COMMUNISM. Arrected again and again,torrtured and confined to PSYCHIATRIC HOSPITALS several times,DIED BY SECURITY's TORRTURES in 1974.-

2.+ ROMANO-CATHOLIC Rev Father Geza,PALFI on December 1983 at a churche's preach said THAT THE ROMANIAN WORKERS MUST HAVE AT LEAST A DAY OF HOLDAY BY CHRISTMAS.Several days after this preach of him, WAS ARRESTED BY THE SECURITY OF TARGU-MURES CITY AND BEATEN AND TORRTURED SO HARD THAT HIS LIVER GOT BROKEN.AFTER THREE MONTHSHE DIED OF LIVER FAILURE...

3.+ **MARCH 25,1981,Suceava City,ROMANIA**

++ BORN AGAIN CHRISTIANS :Ion FERARU and Petru,CLIPA of Suceava city a trip by train to their relatives of NORTH of BUCOVINA, that ROMANIAN province ANNEXED BY URSS in 1940 under STALIN-HITLER SECRET AGREEMENT. In the train, instead to read COMMUNIST NEWSPAPERS, they were reading THE SAINT BIBLE.At URSS-ROMANIAN check point of border,came over ROMANIAN SECURITY AND BORDER GUARDS.THEY ARRESTED AT ONCE THE TWO BORN AGAIN CHRISTIAN UNDER THE CHARGE THAT..."THEY ARE READING THE BIBLE FOR THEM SELVES DURING THEIR TRIP BY TRAIN AND MOVED THEM TO THE TRAIN WHICH COME-BACK TO COMMUNIST ROMANIA. ARRIVED IN SUCEAVA CITY, THE ARRESTING OFFICERS SHOT TO DEATH Ion FERARU and Petru CLIPA FOR " THE CRIME" OF READING THE BIBLE FOR THEM SELVES DURING A TRIP BY TRAIN!...

4.+ In 1978 by the personal order of TERRORIST PRESIDENT Nicolae,CEAUSESCU, The Prof, Rev. Father Gheorghe CALCIU DUMITREASA, a professor with THE THEOLOGICAL INSTITUTE OF THE ROMANIAN GREEK ORTHODOX PATRIARCHATE of Bucharest, WAS ARRESTED, TORRTURED, PROSECUTED AND CONVICTED BY MILITARY COURT OF Bucharest TO MORE 10YEARS OF POLITICAL JAIL BESIDE THE OTHER 16 ONES WHICH ALREADY SERVED BEING RELEASED FROM POLITICAL JAIL BY THE MERCY OF APRIL 1964, The First Political Mercy in COMMUNIST ROMANIA.-
Torrtured in POLITICAL JAILS across the country and in PSYCHIATRIC HOSPITALS to which was confined several times, ONLY GOD SAVE HIS LIFE,from Terrorist CEAUSESCU 's personal order of TO BE KILLED IN TORRTURES IN POLITICAL JAIL!...
After THE GENERAL MERCY OF AUGUST 23,1984,he was released from POLITICAL JAIL AFTER SERVED 21(TWENTY ONE)YEARS)AS POLITICAL PRISONER AND PRISONER OF CONSCIENCE IN COMMUNIST ROMANIA's POLITICAL JAILS AND PSYCHIATRIC HOSPITALS...
- On August 7,1984, one day before THE US SENATE HEARING ON "MFN" TO COMMUNIST ROMANIA, Prof Rev.Father Gheorghe CALCIU DUMITREASA,received the STATELESS PASSPORTS for himself, his wife Adriana and their son Andre due to HUNGER STRIKES AND DEMONSTRATIONS IN The USA and in The FREE WORLD Due to PUBLIC OPINION FROM ALL OVER THE WORLD,AND ESPECIALY DUE TO THE STRONG AND PERSUASIVE INTERVENTION TO TERRORIST CEAUSESCU by The Hon.US SENATORS BOB DOLE, TRIBLE, SYM AND CONGRESSMEN Richard SHULTZ,WOOLF... and the LETTER SIGNED UP BY MORE THAN 80US SENATORS AND CONGRESSMEN... Now, Prof Rev Father Gheorghe CALCIU DUMITREASA in in The USA as a MISSIONARY Rev Father with THE ROMANIAN ORTHODOX BISHOPATE OF USA and CANADA of The ROMANIAN ANTI-COMMUNIST EXILE,with His GRACE BISHOP POP, Nathanail,and IS CONTINUING TO FIGHT AGAINST ATHEISM,TERRORISM AND COMMUNISM,TRAVELING ACROSS THE USA AND EUROPE ,PREACHING GOD's WORD AND LECTURING ON THE RELIGION PERSECUTION, VIOLATION OF HUMAN RIGHTS AND INTERNATIONAL SUPPORT OF TERRORISM BY TERROSIT CEAUSESCU AND HIS COMMUNIST GOVERNMENT.UNDER THE AUSPICIES OF "CHRISTIAN .INTERNATIONAL RESPONSE"

- Over-

6. - In 1978 The Born Again Pastor Pavel NICOLESCU of Bucharest.founded "THE ROMANIAN CHRISTIAN COMMITTEE FOR THE DEFENSE OF RELIGIOUS FREEDOM AND OF THE FREEDOM OF CONSCIENCE" asking THE IMMEDIATE RELEASE of Prof. Rev Father Gheorghe CALCIU DUMITREASA and of all PRISONER OF CONSCIENCE and THE RESTORATION OF HUMAN RIGHTS.
Arrested, torrtured and convicted to different terms of POLITICAL JAILS all MEMEBERS OF THE COMMITTEE, finaly DUE TO HUNGER STRIKES and DEMONSTRATIONS IN THE FREE WORLD AND ESPECIALY IN The USA-WERE GIVEN STATELESS PASSPORTS AND EXPELLED FROM THE COUNTRY. Now They are in The USA.-

7 * In LUGOJ, Rve. Father Viorel DUMITRESCU,together Rev.Father GAGA,Red. Father AVRAMESCU,Rev Father AMBRUS and Rev Father Ionel VINCHICI,at the GENERAL ASSEMBLY OF THE BISHOPATE OF LUGOJ, READED "A FIFTY POINTS"LETTER ASKING:THE RESTAURATION OF HUMAN RIGHTS AND FREEDOM OF RELIGION, HOLIDAYS FOR CHRISTMAS AND EASTER, THE REINTRODUCTION IS PUBLIC SCHOOLS OF THE RELIGIOUS EDUCATION(AND INTO THE CHURCHES)THE IMMEDIATE RELEASE FROM POLITICAL JAIL OF Prof.Rev.Father Gheorghe CALCIU DUMITREASA and of all PRISONERS OF CONSCIENCE FROM ALL KIND OF RELIGIOUS DENOMINATION,THE RELEGALISATION OF THE UNIATE CHURCH ABOLISHED BY COMMUNISTS in 1948...
Rev,Father Viorel DUMITRESCU who readed the 15 POINTS LETTER.DISSAPEARED DURING THE GENERAL ASSEMBLY OF LUGOJ BISHOPATE...
TORRTURED BY SECURITY AND LAYD OF FROM HIS JOB AS RECTOR OF A GREEK ORTHODOX CHURCH near the city of LUGOJ...

8.+ At the next General Assembly of LUGOJ GREEK -ORTHODOX BISHOPATE, Rev Fath ,ther Ionel VINCHICI asked WHERE THERE IS HIS BROTHER INTO JESUS CHRIST: Rev. Father Viorel DUMITRESCU? THE SECURITY TOOK Rev Father Ionel VINCHIC to HIM...AND TREATED HIM ON THE SAME MANNER:BY TORRTURES. THEN LAYD HIM OF FROM HIS JOB AS RECTOR WITH A GREEK-ORTHODOX CHURCH AND TILL HE GOT A STATELESS PASSPORT-FOUR YEARS-LIVED TOGETHER HIS WIFE AND TWO CHILDREN
9.+ BY PUBLIC CHARITY...FROM CHRISTIAN FELLOWERS...

9.+ Very Rev. Gavrila.STEFAN.42 of Satul Oreavu.Comuna Gugesti,Judet Vrancea REFUSED TO MENTION DURING RELIGIOUS SERVICE TERRORIST Nicolae CEAUSESCU and wife ELENA ,AND TO PRAY FOR THEM.ARRESTED,BY SECURITY, TORRTURED AND LAYD OF FROM HIS RECTORAT OF A GREEK ORTHODOX CHURCH IS LIVING WITH HIS FAMILY BY FORCED RESIDENCE AND IS WAITING STATELESS PASSPORTS...

10.+ Very Rev.Father Vasile,POPESCU of COMUNA IONESTI,VILCEA with wife and fo four children WAS FINED 11000LEI(ROAMNIAN CURRENCY:LYON=12 US DOLLARS) BECAUSE DARED TO BULD A SHRINE WITH VOLUNTARY WORK OF PEASANTS WORSHIPERS AND WITH THEIR SUBSCRIPTION, DESPITE THE FACT THAT THE COMMUNIST IERACHY OF THE CHURCH FORBIDEN THAT A SHRINE TO BE BUILD AND RECCOMANDED THAT CHURCHES TO BE DEMOLISHED...
DISCRIMINATED ON RELIGIOUS AND POLITICAL GROUNDS BY SECURITY AND HARASSE DAY BY DAY BY, IS WAITING STATELESS PASSPORTS FOR HIMSELF HIS WIFE WHO HAS IN NEW YORK HER MOTHER AND BROTHER-US CITIZENSHIP APPLICANTS,AND FOR THEIR FOUR DAUGHTER.-

11.+ Rev.Father Pamfil,RADU with wife and two children ofComuna BARA Cod 1848 Judet TIMIS.Because mentioned during religious service the names ofProf. Rev.Father Gheorghe CALCIU DUMITREASA,Rev,Father Ambrus CERNAT(now in Th USA)and signed"THE FIFTY POINTS LETTER" of Rev.Father VIorel DUMITRESCU, WAS ARRESTED AND TORRTURED BY SECURITY AND LAYD OFF FROM HIS JOB AS RECTOR OF THE GREEK-ORTHODOX CHURCH of BARA TOWN.Is waiting STATELESS PASSPORT FOR HIMSELF AND WIFE WITH TWO CHILDREN.-

12.+ BORN AGAIN CHRISTIAN Ion.PORU withwife and a child.ofStrada ALBINEI 52, TIMISOARA-ARRESTED in 1983 and convited TO ONE YEAR OF POLITICAL JAIL, IS WAITING THE STATELESS PASSPORTS.-

13.+ Ion NEDIGLEA and his wife of LUGOJ.BORN AGAIN CHRISTIANS. already served one YEAR AS POLITICAL PRISONERS.WAITING THEIR STATELESS PASSPORTS.-

14+ OVIDIU,POBORSCHI,BORN AGAIN CHRISTIAN with wife and two children of TIMISOARACITY,ARRESTED in 1983 when demonstrated with banner for FREEDOM OF RELIGION.Are waiting their STATELESS PASSPORTS.

-OVER-

15.+Dr.Titus NEDIGLEA.MD,34.with wife and two children of BERINT-TIMIS Former POLITICAL PRISONER. Waiting STATELESS PASSPORTS.

16.+BORN AGAIN CHRISTIANS:Engineer Dan GHERGHINA with wife and two children, of Strada POMICULTUREI.TIMISOARA.Former POLITICAL PRISONER as BORN AGAIN CHRISTIANS. are waiting for their STATELESS PASSPORTS.-

17.- Prof Nicolae STOIA with wife and three children of TIMISOARA CITY. Wrote a book THE FREEDOM which is circulated as SZAMISDAT LITERATURE, UNDERGROUND.Arrested by SECURITY, HE DISSAPEARED in 1984.Waiting STATELESS PASSPORTS.-

18.- Angela VARANA of Strada Pescarilor No 15,Otelul Rosu Judet CARAS SEVERI BORN AGAIN CHRISTIAN- waiting her STATELESS PASSPORT.-

19.+ Dr Lucretia COSTEA,M.D.of GOD's ARMY(underground working CHRISTIAN organisation)with her husband and three children of Str CAMPULUI 101, Cluj,Cod 3400 ROMANIA. Waiting for their STATELESS APSSPORTS.Arrested and torrtured by SECURITY several times.-

CHURCHES BULDOZERED BY TERRORIST Nicolae CEAUSESCU's ORDER

BY THE PERSONAL ORDER OF TERRORIST Nicolae CEAUSESCU. THERE WERE DEMOLISHED BY BULDOZERS TENS OF CHURCHES ACROSS COMMUNIST ROMANIA.

The first ones:ENEI CHURCH of BUCHAREST and DOMNEASCA CHURCH of Focsani,:1977
3.WHITE POSTAVARI CHURCH of Str BATERIILOR 41. Bucuresti:1980
4.- SPIREA NOUS CHURCH ofStr URANUS 27,Bucuresti
5.- ISVORUL TAMADUIREI CHURCH of Str Putul cu Apa Rece No 72,BUCURESTI
6.- GHERGHICEANU CHURCH of Pantelimon, Bucuresti.-
7.- BUNA VESTIRE CHURCH of Calea Rahovei,Bucuresti.-
8.- CRINGASI CHURCH of CRINGASI BOROUGH, Bucuresti.-
9.- SAINT SPIRIDON THE OLDERCHURCH(Biserica SFINTUL SPIRIDON VECHI) from behind OPERETA THEATER on Calea Victoriei,Bucuresti.-
10- SAINT APOSTLES CHURCH(BISERICA SFINTII APSTOLI) Str Sfintii Apostoli,Buc.
11.- ACVILA CHURCH(BISERICA ACVILA) Str SIRENELOR No37 BUCURESTI.
12. THE CHURCH of Str.SIRENELOR No 62.- Bucuresti.
13.- SAPIENTEI CHURCH of Bucuresti.-
14.- COTROCENI CHURCH across OPERA THEATER in Cotroceni Borough,Bucuresti.
15.- DOMNITA BALASA CHURCH(PRINCESS BALASA CHURCH) of Bucharest
16POPESTI-LEORDENI CHURCH of POPESTI-LEORDENI,near Bucuresti
17.- POSTAVARI CHURCH.-
18 .- MILITARI CHURCH of COMUNA MILITARI,BUCURESTI.-
19.- SCHITUL MAICILOR of ANTIM MONASTERY,Bucuresti(NUNS SHRINE of ANTIM MONAST
And others all over the country.

TERRORIST PRESIDENT Nicolae CEAUSESCU and his COMMUNIST GOVERNMET SUPPORT THE INTERNATIONAL TERRORISM AND THE ROMANIAN OFFICIALS ARE SPYING ON USSR's SPIES NETWORK.

FACTS

1.- A second Secretary with COMMUNIST ROMANIA's EMBASSY who defected in Washington DC,stated that:THE HEADQUARTER OF USSR' SPIES NETWORK FOR THE US and CANADA is located into THE ROMANIAN EMBASSY TO Washington DC.-
The ROMANIAN OFFICIALS are spying for USSR and reporting to THE " K.G.B"
All USA's objectives are COD NAMES;By the way The White House is COD NAMED ALABAMA and so on. To which "BRANCH" codnamed there is aROMANIAN OFFICIAL who put THE SO CALLED "ROMANIAN CITIZENS RESIDING IN THE USA" to dispositio of "KGB" which is assigned them the SPY MISSION.Each CODE NAMED BRANCH OF USSR's SPIES NETWORK HAS A "RUSSAIN KGB" OFFICER AS COMMANDER TO HOM THE ROMANIAN OFFICIAL IS REPORTING.-
There is annexed a copy of AMERICAN NEWSPAPER THE NEWS WORLD,printed daily

in New York city, with a report about.-

2.- The DEFENSE DEPARTMENT COMMISSION FORMED TO INVESTIGATE THEBOMBING OF US MARINES HEADQUARTER IN BEIRUT, HEADED BY RETIRED US ADMIRAL L.J.LONG, ENLISTED COMMUNIST ROMANIA AS ONE OF SIX EUROPEAN COMMUNIST NATIONS WHICH HAVE AS STATE POLICY TO SUPPORT INTERNATIONAL TERRORISM!...
There is annexed the report about printed in The daily New York newspaper "THE NEW YORK CITY TRIBUNE" on his issue ofWednesday,June 27,1984 on page2A
3.- THE COMMUNIST ROMANIAN GOVERNMENTSUPPORT INTERNATIONAL TERRORISM BY GIVEN **MILITARY TRAINING**,WEAPONS, AMMUNITIONS,FOOD, CLOTHING, EITHER:ON ROMANIAN SOI OR OVEARSES TO COMMUNIST TERRORIST AND ASSURED SAFE HOUSES ON ROMANIAN TERRITORY FOR THOSE OF THEM WHO MURDERED **INNOCENT PEOPLES IN WESTERN EUROPE** BY BOMBING PUBLIC PLACES AND AMERICAN INSTITUTION(MILITARY BASSES,HEADQUARTERS, AND SO ON)BY "TAROM" THE COMMUNIST ROMANIAN MERCHANT AIRLINE,THE TERRORISTS

WHO MURDERED INNOCENT PEOPLE IN WESTERN EUROPE ARE TAKEN TO SAFE HOUSES TO COMMUNIST ROMANIA.THE ROMANIAN OFFICIALS USE DRUGS TO HIJACKS DEFECTORS BACK TO COMMUNIST ROMANIA.
There are annexed the New York daily Newspapers"The New Worldof Tuesday,Janury1983and The New York City Tribune of Wednesday June 1,1983 which printed statements of TWO FORMER PILOTS WITH " TAROM" AND TWO FORMER STEWARDESSES" (with TAROM)to, WHO WITNESSED THE FACTS.PILOT HIRSOVESCU,FORMER FLIGHT COMMANDER FOR 15 YEARS WITH " TAROM" EXPLAIN WITH DETAILS ABOUT COMMUNIST ROMANIA's MILITARY TRAINING OF ANGOLAN COMMUNISTS EVEN ON ANGOLA SOIL...
4.- There is annexed THE STATEMENT of HUNGER STRIKER Silviu,ARSENE, a former professor of ENGLISH in Buhcarest, ROMANIA, who, during the summer vacations was send as translator to ROMANIA's MILITARY CAMP WHERE TERRORIST ARE GIVING MILITARY AND SPYING TRAINING BY USSR'"K.G.B" OFFICERS!AtBANEASA Forest, near Bucharest, there is a MILITARY TRAINING CAMP, where URSS' "KGB" officers are giving training in espionage and sabotage to CUBAN nationals. They are train d to move by trains, buses and subways within the big cities of The USA,are learning where there are the wather supplies, the surse of electric energy, military objectives, and then are infiltrated in The USA as POLITICAL REFUGE to wait for THE MOMENT WHEN TO SABOTAGE AT "KGB" ORDER! Till "D" DAY they are posing as POLITICAL REFUHEES and are acting as "MOLES".The military camp has an capacity of 1000 students and the training is of ONE YEAR.-
PLO TERRORISTS ARE GIVING TRAINING in BRASOV CITY.In other MILITARY CAMPS, "K.G.B"Officers are giving training to TERRORISTS FROM ZIMBAWE,NICARAGUA, ANGOLA etc, who then are send into THE THIRD WORLD as"ANTI-IMPERIALISTIC" GUERRILAS...
5.- The New York City Tribune of Tuesday February 18,1986 as ilustration to an article about TERRORIST PRESDENT Nicolae CEAUSESCU of ROMANIA,printed THE PICTURE OF TERRORISTS Nicolae CEAUSESC and YASSER ARAFAT in Bucharest, in 1983....
- In 1979-180 when the AMERICAN DIPLOMATS WERE HOSTAGES IN TEHRAN,IRAN, FOR 444 DAYS OF NIGHTMARE AND TERROR, TERRORIST Nicolae CEAUSESCU SIGNED UP AN MILITARY AND ECONOMIC TREATY OF ASSISTANCE AND AID WITHOUT INTEREST WITH TERRORIST KHCMEINI!
I AM SURE THAT THE MILLIONS OF US DOLLARS WHO WENT IN KHOMEINY's HANDS FULL OF INNOCENT HUMAN BLOOD, CAME FROMTHE GRANTING BY US CONGRESS OF THE MOST FAVORED NATION's CLAUSE("MFN)TO TERRORIST CEAUSESCU AND HIS COMMUNIST GOVERMENT!..
-BUT ,I AM ASKING THAT THIS TIME, AT LEAST IN THE TWELWE TH HOUR,THE US. CONGRESS DO NOT GRANT ANYMORE THE "M.F.N" TO TERRORIST Nicolae CEAUSESCU nor to hIS COMMUNIST GOVERNMENT-CLASSIFIED BY US DEFENSE DEPARTMENT SPECIAL COMMISION ON INVESTIGATION OF THE MURDERER OF AMERICAN MARINES IN BEIRUT AS SUPPORTERS OF INTERNATIONAL TERRORISM, AND UNVEILED AS COOL BLOOD URSS'sHIT MEN AND SPIES,BY EVEN ROMANIAN OFFICIALS OF ROMANIA's EMBASSY AND BY FORMER PILOTS AND STEWARDESSES WITH " TAROM" THE ROMANIAN MERCHANT AIRLINE, AND BY A FORMER ENGLISH PROFESSOR WHO DURING SUMMER VACANCIES TRANSLATED FOR "KGB" TRAINERS OF TERRORISTS ACROSS ROMANIA.

For GOD's sake, I hope that in the next issue of"The New York City Tribune" and (or) another AMERICAN newspapers,I WILL NOT SEE THE PICTURE OF TERRORIST Nicolae CEAUSESCU hugging Terrorist YASER ARAFAT or(and) Terrorist ABU NASAN again in Bucharest and handling to them THE CHECK OF TENS OF MILLIONS OF US DOLLARSJUST RECEIVED FROM THE U.S. CONGRESS THROUGH THE GRANTING OF " THE MOST FAVORED NATION's CLAUSE"!... AS A HUMAN BEING AND MYSELF VICTIM OF COMMUNIST TERROR,I CAN NOT ACCEPT THAT THE MONEY OF U.S.TAXPAYERS TO GO IN THE HANDS FULL OF HUMAN BLOOD OF INTERNATIONAL TERRORISTS,BY THE WAY OF GRANTING"THE MOST **FAVORED** NATION's CLAUSE"("M.F.N")TO Terrorist Nicolae CEAUSESCU and to his COMMUNIST GOVERNMENT!...

THE HUMAN RIGHTS IN COMMUNIST ROMANIA

1.- FREEDOM OF ASSEMBLY AND EXPRESSION

There in in COMMUNIST ROMANIA ONLY A SINGLE POLITICAL PARTY:THE COMMUNIST ONE!

During the"elections" on the list there is only one candidat:THE ONE OF THE COMMUNIST PARTY.Where one TO CHOSE FROM?TO VOTE WITH?!

On JULY 14,1947 The Communist Party abolished ALL OTHER POLITICAL PARTIES "The National Peasant Party IULIU MANIU and ION MIHALACHE"the most powerful **ANTI-COMMUNIST** POLITICAL PARTY at the time, had its LEADERS and ten of tausends of RANK and FILE members arrested, torrtured, prosecuted and convicted to years of POLITICAL JAIL. Released from POLITICAL JAILS after served their terms, they were send to FORCED LABOR CAMP and(or) given FORCED RESIDENCE. Then, from time to time they use to be again arrested, tortured and investigated on their alleged UNDERGROUND ACTIVITIES.-

Recentely A WAIVE OF TERROR WAS LAUNCHED BY TERRORIST CEAUSESCU AGAINST FORMER MEMBERS OF "THE NATIONAL PEASANT PARTY IULIU MANIU AND ION MIHALACHE"who survived to tens of years of POLITICAL JAILS and FORCED LABOR CAMPS

as The Former General Secretary Adjunct of The Party. Dr Puiu COPOSU of Bucahrest(who served more than 17 years Dr Engineer Ion.PUIU, former leade of THE YOUTH ORGANIZATION OF THE PARTY(who served too about 18 years)He dared that at the actualy general elections for the General Assembly to send a letter to Terrorist President Nicolae CEAUSESCU asking to be admited TO APPEAR ON THE LIST OF CANDIDATES FOR THE DISTRICT OF JILAVA, AS AN INDEPENDENT CANDIDATE...

Since May 17, 1986, Dr Eng Ion PUIU, DISSAPEARED WITHOUT TRACES AND NOBODY KNOW ABOUT HIS WHEREABOUT!...

The same tings happened to former member of THE NATIONAL LIBERAL PARTY ION BRATIANU(abolished too, by COMMUNISTS) and The SOCIAL DEMOCRATIC PARTY TITEL PETRESCU...who are enduring now a waive of TERROR ORDERED BY TERRORIST PRESIDENT Nicolae CEAUSESCU.-

- A young engineer Radu FILIPESCU, spared leafleats asking that Terrorist Nicolae CEAUSESCU to BE CHANGED BY THE PEOPLE FOR HIS INCOMPETENCE WHICH DESTROY THE ECONOMY OF THE COUNTRY HAVING AS RESULT THE STARVATION OF THE ROMANIAN PEOPLE.

-HE WAS ARRESTED, TORRTURED AND CONVICTED TO 25 YEARS OF POLITICAL JAIL BY THE MILITARY COURT FOR" PLOT TO OWERTROW THE PEOPLE's GOVERNMENT"

- On 1978, Dr CANA, Dr BRASOVEANU, Vasile PARASCHIV and a young electrician Vasile PREDA,founded "THE FREE TRADE UNIONS OF THE ROMANIAN PEOPLE" (" SINDICATELE LIBERE ALE OAMENILOR MUNCII DIN ROMANIA"-"SLOMR" in ROMANIA Language)

They got hundreds of tausends of rank and file members, all over the country.On JULY 17,1978 the founders and ten of taunsends of rank-and file members were arrested all over the country, torrtured, prosecuted and convicted to POLITICAL JAIL.-and(or) confined to PSYCHIATRIC HOSPITALS.-

- One year latter, one of the founders Vasile PARASCHIV,DISSAPEARED WITHOUT TRACE...

CRISTMAS 1980

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Prof Dr .Gerard LOW-BEAR. of Great Britain's Royal College of Psychiatry,as a scholar visited USSR and European Communist Captive Nations.But underground visited the relatives of those confined to PSYCHIATRIC HOSPITALS. When he went underground to Mr Vasile PARASHIV, he found out his wife and her children around a table with a jar on and with candles .They were praying. Helped out by an tranlator, Mrs PARASCHIV, told that just two days before, the colonel of SECURITY and two other SECURITY officers who arrested her husband on JULY 17,1978, came over, handled to her a jar which THE SECURITY OFFICERS TOLD HER THAT CONTEND THE ACHES OF HER HUSBAND WHO WAS BURRIED ALIVE THAT THE OTHER FELOWWER OF HIM TO DO NOT DARE TO DO WHAT HE DID AND WHAT THE POLISH"SOLIDARITY" IS DOING NOW(KNOWINF THAT "THE SLOMR" WAS FOUNDED TWO YEARS BEFORE POLAND'S"SOLIDARITY)Then THE SECURITY's OFFICERS FORCED HER TO DIAL ALL THE NIGHT PHONE NUMBRS OF FELLOWERS AND TO TELL THEM W WHAT THE SECURITY OFFICERS TOLD HER!...

At the first meeting of THE SIGNATAIRES OF HELSINKI AGREEMINT, reported THIS NEW CRIME AGAINST HUMANITY PERPETRATED BY Terrorsit

- In its issue of Sunday,December 1,1981, the New Yorker daily newspaper, REPORTED ABOUT.(See the annexed copy of the newspaper)

- FREEDOM OF PRESS AND COMMUNICATION

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The entire press, magazines, periodics,and TV and Radio, are under the direct supervision of THE SECTION OF PRESS AND PROPAGANDA of THE CENTRAL COMMITTEE OF COMMUNIST PARTY. THERE IS ANY SINGLE MAGAZINE,REVUE, NEWPAPER,RADIO OR TY PRIVATE OR INDEPENDENT STATION!(EXCEPT THE LITERATURE OF "SZAMISDAT"THE UNDER GROUND PRINTED AND SPARED ONE)

FREEDOM OF ARTISTIC CREATIVITY

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The arts are censored by THE PARTY TOO. The artists and the sculpteurs must done artistic works inspired from THE STRUGGLE OF THE WORKING CLASS.-
The musicians (composers)had to create ONLY FOR THE WORKING CLASS UNDER THE CLOSE DIRECTION OF THE PARTY.-
The authors, playwriters, poets and filscript writers, are too under the permanent GUIDANCE OF THE PARTY WHICH HELP THEM TO CREATE FOR THE WORKING CLASS...

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Therefore The Terrorist President of COMMUNIST ROMANIA, Nicolae CEAUSESCU and his COMMUNIST GOVERNMENT "CREATED" THE MOST STALINIST REGIME OF TERROR FROM ALL COMMUNIST COUNTRIES OF THE ENTIRE WORLD.THEY TERRORISE TWENTY MILLIONS PEOPLE WHO ARE NOT COMMUNIST PARTY MEMBERS AND WORSHIP THEIR CHRISTIAN FAITH.BY SUPPORTING THE INTERNATIONAL TERRORISMAND BY GIVING FOR FREE TO SOVIET RUSSIA FOR THE "VICTORY OF COMMUNISM" ALL THE PRODUCT AND RESOURCES OF THE COUNTRY-TEWNTY TWO MILLIONS OF HUMAN BEING ARE STARVING!..
FROM THE "MFN" USE TO PROFITE ONLY THE INTERNATIONAL TERRORISM AND ITS MASTER MIND "THE USSR"AND OF COURSE "CEAUSESCU'sFAMILY". I PROPOSED THAT THE NAME OF M"F.N" TO BE CHANGED INTO "THE MOST FAVORED TERRORIST CEAUSESCU's FAMILY CLAC -AND I AM ASKING THAT THE US CONGRESS TO DO NOT GRANT ANYMORE THE ACTUAL"MFN" TO TERRORIST PRESIDENT Nicolae CEAUSESCU ,NOR TO HIS COMMUNIST GOVERNMENT,WHO SUPPORT INTERNATIONAL TERRORISM, BURNED ALIVE ROMANIAN WORKERS AS Vasile PARASCHIV,ASSASINATED PRIESTS AND PASTORS,ANDBULDOZERED TENS OF CHURCHES,AND MADE TOILLET PAPER FROM SAINT BIBLES!..HUGGING TERRORIST YASER ARAFAT AND ABU NASAN AND GIVING TO THEM" THE CHECK" RECEIVE FROM US CONGRESS VIA"THEMFN"!...

- **DOWN** TERRORISM!
- DOWN COMMUNISM!
- LONG LIVE TO FREEDOM!
- **GOD BLESS AMERICA!**

Dimitrie G.APOSTOLIU,Ph.D.
D.G.Apostoliu
President ,AMERICAN-ROMANIAN NATIONAL
COMMITTEE FOR HUMAN RIGHTS
SPOKESMAN OF HUNGER STRIKERS.

(Exhibits to the statement have been retained in committee files.)

STATEMENT OF ATALANTA CORPORATION, NEW YORK, NEW YORK PRESENTED BY GEORGE G. GELLERT, CHAIRMAN OF THE BOARD in support of continuation of "MFN" for Romania.

1. INTRODUCTION

Mr. Chairman and Members of the Subcommittee on Trade #29 Committee on Ways and Means:

I am pleased to have this opportunity to submit testimony in favor of continuing for Romania the President's authority to waive the application of subsection (a) and (b) of section 402 of the Trade ACT of 1974 (Public Law 93-618) for an extended period of twelve months. Simply stated, our position, in support of the President, recommends the continuation of the Most Favored Nation tariff treatment for Romania.

II. THE ATALANTA CORPORATION

I would like to briefly provide the Committee with background information regarding ATALANTA, which reflects the company's wide experience in East-West trade and which explains its interest in presenting this testimony to the Committee. ATALANTA's involvement in East-West trade spans a period of time exceeding forty years to the benefit of our U.S. economy.

ATALANTA is a marketing organization for a broad variety of high quality food items that are imported into the United States from 46 countries. Our company distributes these products throughout the United States. ATALANTA's home office is located at 17 Varic Street, New York City, with sales offices in Atlanta, Ga., Boston, Mass., Chicago, Ill., Cleveland, Ohio, Dallas, Tx., Detroit, Mich., Indianapolis, Ind., Los Angeles, Ca., Miami, Fla., Milwaukee, Wis., Philadelphia, Pa., Phoenix., Ariz., Portland, Ore., Raleigh, N.C., San Francisco, Ca., and Tampa, Fla.

Specifically, ATALANTA has been importing processed hams and other products of high quality from Romania since 1970. In 1985, our company imported products totaling over $7 million. In addition, ATALANTA serves as a member of the United States-Romanian Economic Council which was organized under the auspices of Commerce of the United States and the Socialist Republic of Romania.

Doing business with Romania has been profitable for ATALANTA and, in turn, the United States economy in general. Likewise, it has been profitable for the countries involved which gain dollar earnings that are utilized for the purchase from the United States of manufactured goods and agricultural products as well as be in a position to repay their dollar currency depts.

III. POLITICAL BENEFITS

Of paramount importance, the granting of "MFN" and the continuation of this sound policy, will continue to improve the political relations between our country and Romania.

IV. CONCLUSION

For the abovementioned reasons, the ATALANTA COMPANY sincerely supports and urges that your Committee, and the entire Congress agree with the President that the continuation of "MFN" for Romania is in the best economic and political interests of our country.

STATEMENT OF CONGRESSMAN BOUCHER BEFORE THE SUBCOMMITTEE ON TRADE, HOUSE WAYS AND MEANS COMMITTEE, ON MOST FAVORED NATION STATUS

JUNE 10, 1986

Good morning, Mr. Chairman and Members of the Subcommittee. Thank you for the opportunity to testify. The issue before the Subcommittee, whether or not to continue most favored nation status (MFN) for Romania, is of great concern to me because it affects my constituents in the coal-producing counties of Southwest Virginia and railroad and port workers throughout the Commonwealth.

By way of background, Romania has been granted MFN status under Section 402 of the Trade Act of 1974 in every year since 1975. The benefits of MFN status are two-fold. First, imports from the country to the United States get the benefit of the so-called "Column 1" duty rates, which are much lower than the "Column 2" duty rates normally applied to goods from non-market economies. Second, as a reciprocal condition for its MFN status, Romania signed a bilateral agreement with the United States which provides for preferential treatment of U.S. exports to Romania.

Two years after Romania was first granted MFN status, its government, through an entity called Mineralimportexport (MIE), entered into an agreement with Island Creek Coal Company of Buchanan County, Virginia, in my district. Under this agreement, Island Creek is to supply Romania with coal at the level of nearly 500,000 tons per year, valued at about $25 million annually, through the year 2015. This arrangement has generated well over 1000 jobs in mines, ports, railways, and other mining-related businesses, not just in Buchanan County, but in the broad region stretching from Southwest Virginia to Norfolk.

The existence of the contract between MIE and Island Creek is a direct result of Romania's MFN status and the resulting bilateral contract providing for beneficial treatment of U.S. exports. If Romania's MFN status were withdrawn, there is every likelihood that this contract and the benefits it produces would come to an end. This is not mere speculation or a parade of horribles: this result would happen through a series of fairly predictable steps.

First, withdrawal of MFN status from Romania would end the country's obligation under its reciprocal trade agreement with us to give preferential duty treatment to exports from the U.S. Without duty preferences, U.S. coal would become much more expensive. MIE could and would be driven to seek other sources of coal such as Eastern Europe and the Soviet Union.

In order to extricate itself from the contract with Island Creek, MIE could invoke a force majeure clause which allows the parties to withdraw from the contract if its performance is frustrated by natural disasters, labor problems, or acts of government, among other things. While the contract contains certain exceptions to this clause, which Island Creek would probably want to invoke, at best there would be a legal dispute ending in arbitration in the International Commercial Court in Paris. In all likelihood, the eventual arbitration decision which would be far short of requiring the contract to continue in force for its remaining life up until 2015. The end result would be the loss of the long-term jobs which this contract makes possible for workers in Virginia coal, rail, and port industries, as well as the considerable expense and difficulty for Island Creek involved in conducting complex, time-consuming international arbitration.

Alternatively, depending on Romania's reaction to the withdrawal of its MFN status, MIE might simply be directed to withdraw from the contract and not even submit itself to arbitration. As a practical matter, the arrangements between the two companies would provide MIE every incentive to withdraw if MFN status ended. MIE's investment in the operation so far is approximately $60 million in funds which has borrowed from an American bank -- an amount far less than the cost of continuing with the contract if MFN status were withdrawn and the coal lost its preferential duty status. From MIE's financial perspective, it would be far better to risk loss of that investment, or simply to default on its obligation to the bank, rather than continue to accept delivery of now higher-priced coal under the contract.

Mr. Chairman, it is not a mere chimera to say that withdrawal of MFN status from Romania would deal an immediate and severe economic blow to my district and those surrounding it in Appalachia. But this scenario could be replayed many, many times over with every American firm that exports to Romania. Indeed, it has been estimated that withdrawal of MFN status would cut U.S. exports in half. As for importers, every company that imports goods from Romania would have to pay vastly increased duties (in some cases as high as 90%) for those goods. For example, the Noble Trading Company, based in Alexandria, Virginia, is a small business importer of goods from Romania, doing about $8 million in business annually. Noble and small businesses like it would be simply wiped out if MFN status were withdrawn. Estimates indicate that imports from Romania overall would fall by one-third. This would be a particularly ironic result in view of the fact that Romania has been favoring U.S. imports, causing our share of Romanian imports from the West to increase from 13.7% in 1982 to 18.9% in 1984.

Mr. Chairman, the question before this Subcommittee is whether or not causing this kind of harm to American businesses will help us achieve our objective of religious freedom in Romania. The focus of the law is whether or not Romania is entitled to a waiver of the Jackson-Vanik amendment to Section 402 of the Trade Act, which prohibits extending MFN status to non-market economies, including Romania, which restrict or inhibit emigration.

It is my understanding that Romania's emigration record is very good, and has steadily improved since MFN status was first granted. In fact, Romanian emigration overall has increased six-fold in that time, and emigration to this country has increased ten times in the decade between 1974 and 1984.

I also understand that Romania has been particularly responsive to U.S. influence in this area as a direct result of the leverage which MFN status provides the President and the State Department. For example, in 1983 Romania agreed not to implement a law which would have imposed an education tax on prospective emigres, in response to the President's threat to deny MFN status. Two years later, Romania agreed with the U.S. not to curtail other freedoms for prospective emigres, and has put this agreement into practice.

Technically, the Jackson-Vanik Amendment only applies to emigration policies and not to other matters. Therefore, as a strictly legal matter, Romania is eligible for the waiver it has received for the past ten years. I do understand and share the concerns that have been raised regarding religious freedom in Romania, and I believe it is appropriate for this country to use its good offices to seek improvements. However, recent history indicates that Romania has been responsive to U.S. influence in these areas as well, even though the improvements have not been as swift or as sweeping as some of us might wish.

Aside from the damage that withdrawing MFN status would cause my own constituents, it seems to me that the wisest course is that chosen by the President in his Report issued last week: to continue MFN status and continue, through the State Department, to deploy aggressively the leverage it provides. By maintaining MFN, we can maintain our leverage in the human rights and emigration areas, as well as maintaining important trading opportunities for my constituents and many others. If we withdraw MFN, on the other hand, we lose everything.

Thank you, Mr. Chairman.

STATEMENT

Re: Hearings on MOST FAVORED NATION STATUS set for June 10,1986,
before the Subcommittee on Trade #29,Committee on Ways and Means,
U.S.House of Representatives,The Honorable Sam M. Gibbons,Chairman

By Rev.A.S.Lucaciu,President,Romanian-American Baptist Fellowship,Mrs.Marioara Pascu,Manager-Treasurer of the Christian ,a religious review,and George Crisan, Editor of the review and the legal counsel of the association.

Our Association and we personally RECOMMEND A FURTHER EXTENSION OF MFN Status to Romania, under the Trade Act of 1974.

Our organization is a Romanian-English speaking Baptists,with members throughout the United States. We do believe that the extension of MFN clause to Romania the United States will benefit tradewise as well as politically.

Our Review,The Christian is read by more than 2500 members and readers.It is also mailed to 26 countries,inclusive Romania.

Rev.Lucaciu and George Crisan,have traveled many times to Romania and have personal knowldege that the Romanian Government in good faith,tries to comply with the provisions of the Trade Act as well as with the Helsinki Agreements.However, we did and do experience obstacle in obatining passports for persons who were already approved by the US Immigration Service to enter the United State.Asking for explanations we were told, by the officials at the Romanian Embassy in Washington, that the local passport issuing authorities in Romania,only reluctantly issue the passports.

As late as 1984,Rev.Lucaciu and then Mr.Crisan, have traveled to Romania.Rev. Lucaciu has preached in quite a few Romanian Baptist Churches there full of worshipers. In 1985 Dr.Billy Graham went to Romania and has addressed thousands of Baptists and Christians.

Romania is situated at the cross roads between East and West. She is a Romance nation in a Slavic Sea. Soviet Russia,geographically and politically embraces 2/3 of Romania.Russia retained two of Romania's provinces since the end of World War II, Bessarabia and Bukovina,under the guise of Yalta Agreement.

Romania's President quite often have expressed an independence stance in the Communistic block. He stood against the occupation of Czechoslovakia.Romania,the only country Behind the Iron Curtain,which did not break the diplomatic relations with Israel.Romania was the only country in the Communistic block which dared, against subtle but frightening threats by the Soviet Russia, to send an athletic team to the US Olimpyad in 1984.

Because of Romania's stance for independence,President Nixon paid a visit to Romania in 1968.He was welcomed witha Tremenduous enthusiasm.President Carter in 1978 invited the President of Romania for a State Visit here,all these are signs of friendship.

It is our belief that by extending, once again, the MFN clause to Romania, it is a friendly sign of cooperation and profitable to both parties.

We do appreciate this opportunity in submitting our view and stand for consideration and inclusion in the Committee's Proceedings.

June 10,1986

By George Crisan
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FOR THE RECORD
TO SUBCOMMITTEE

cmc Cometals, Inc.
subsidiary of Commercial Metals Company

One Penn Plaza, New York, New York 10119

June 4, 1986

Mr. Joseph Dowley
Chief Counsel
Committee on Ways and Means
Subcommittee of International Trade
1102 Longworth Hob
U.S. House of Representatives
Washington, D.C. 20515

Re: Most Favored Nation Duty Status for Romania

Dear Mr. Dowley:

President Reagan has approved a one year extension of MFN treatment to Romania, and the matter now comes before your committee for review.

I have been in Romania. I was able to move about freely. From what I saw, the concern which has been expressed here at home in the area of Romania's human rights and religious freedoms are unjustified.

I, therefore, wholeheartedly endorse the decision of President Reagan, and would appreciate the favorable vote of the Ways and Means Committee on this topic in ratification of the President's decision.

Very truly yours,

COMETALS, INC.

Joseph Lonner

JL:pf

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committee for danubian research, inc.
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June 13, 1986

Joseph K. Dowley, Esquire
Chief Counsel
Committee or Ways and Means
United States House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Dowley:

Please find enclosed six copies of the Committee's statement regarding Most-Favored-Nations status and Socialist Republic of Romania. I would appreciate your including the enclosed statement and this letter in the printed record of the hearing on MFN status for Romania.

As set forth in more detail in the statement, the Committee has not opposed extension of MFN to Romania in the past. We have taken that position because we felt that the United States enjoyed and could exercise a certain degree of leverage to alleviate violations of human and minority rights in Romania. Unfortunately, the situation in Romania has worsened despite automatic extensions of MFN to that country. Therefore, the Committee reluctantly urges that MFN be suspended until Romania takes concrete and measurable steps to improve its record, including abandoning the policies and practices aimed at forcibly assimilating its large Hungarian minority. If Romania takes such steps, not just cynically manipulating the MFN process by releasing a handful of people on the verge of Congressional hearings, the Committee would withdraw its opposition to further extensions of MFN. Indeed, Romania's adoption of policies demonstrating actual independence coupled with a respect for minority rights would truly serve United States interests and could serve as the cornerstone for a more stable and secure East Central Europe in the future.

Sincerely,

Sandor Taraszovics

June 13, 1986

STATEMENT OF THE COMMITTEE FOR DANUBIAN RESEARCH IN FAVOR OF SUSPENDING MFN TO ROMANIA

The Congress is considering whether to extend most-favored-nation ("MFN") status to Romania for another year. Given Romania's dismal human rights record and the insignificance of its so-called independent foreign policy, no United States self-interest justifies continuation of MFN this year, absent significant concessions by Romania.

APPLICATION OF THE POLICY OF DIFFERENTIATION MANDATES SUSPENDING MFN TO ROMANIA

United States policy of differentiation toward East-Central Europe was concisely articulated by Vice President Bush in a speech he gave in Vienna on September 21, 1983. The Vice President described that policy as follows:

> Our policy is one of differentiation that is, we look to what degree countries pursue autonomous foreign policies, independent of Moscow's direction; and to what degree they foster domestic liberalization -- politically, economically and in their respect for human rights. The United States will engage in closer political, economic and cultural relations with those countries . . . which assert greater openness or independence...
>
> We will not... reward closed societies and belligerent foreign policies countries... which continue to flagrantly violate the most fundamental human rights; and countries... which act as proxies to the Soviets in the training, funding and arming of terrorists, and which supply advisors and military and technical assistance to armed movements seeking to destabilize governments in the developing world. (Emphasis added.)

Thus, differentiation is based on two (not necessarily mutually exclusive) criteria -- autonomous foreign policy and domestic liberalization. These two criteria express our perceived self-interest, not to mention the interests of the people of East-Central Europe. Applying these two criteria, it is clear that Romania should not receive further benefits under the Trade Act of 1974.

ROMANIA'S DISMAL HUMAN RIGHTS POLICY MANDATES SUSPENDING MFN TO ROMANIA

Turning to the first criterion, it is beyond dispute that the socialist states in East-Central Europe do not form a monolithic bloc -- Romania is among the most repressive and Stalinistic states in that region. As noted by Helsinki Watch on May 17, 1985, "Romania is generally considered to be one of the most egregious human rights offenders in Eastern Europe. Nor has the situation improved over the past few years. A severely deteriorating economy, a corrupt bureaucracy, an omnipresent secret police network, and the 'cult of personality' surrounding the Ceausescu family have resulted in increasing misery for Romanian citizens."

In addition to the repression faced by the population at large, including the often insurmountable obstacles erected by the government to family unification, Romania's two to three million Hungarians are subjected to intensified policies aimed at forcibly assimilating and extinguishing the cultural life of the members of that minority. The systematic policy aimed at homogenizing Romania have been more than well documented and include: the elimination of Hungarian language educational institutions; the dissolution of compact Hungarian communities; the suppression of Hungarian and other minority languages; curtailment of human contacts and cultural exchanges with Hungarians (and Westerners) outside of Romania; harassment of churches and religious groups and confiscations of their archives to eradicate all traces of Hungarian presence and history in Transylvania; falsification of census figures and history to the point of promoting a national hatred toward Romanian citizens of Hungarian nationality; and the concomittant persecution of individuals who exhibit the slightest resistence to Romania's systematic and relentless program of forced assimilation.

A most tragic example of Romania's gross and persistent human rights abuses include the case of Arpad Visky who was found dead on January 5, 1986. A Declaration by Participants of the PEN Congress held in New York in January protested his death as follows:

> Arpad Visky -- a foremost actor and cultural figure of Rumania's 2.5 million strong Hungarian minority -- on January 5, 1986, was found dead by hanging in a forest outside the Transylvanian town of

> Sfintul Gheorghe (in Hungarian: Sepsiszentgyorgy). Following a lengthy imprisonment on political charges, he had been granted amnesty on September 7, 1984, but was banned from appearing on any stage in Rumania. Constrained to work as an unskilled laborer, Visky applied to emigrate to Hungary. During the weeks prior to his death, Visky complained of official efforts to hinder his emigration, telling his relatives and friends: "I know too much. What they fear is that once I'm out, I'll tell about the torture, the harassment and intimidation, the humiliation..." According to relatives of the deceased, and the medical report of his death, Visky's body was found by a policeman, minutes after the onset of death. Friends and relatives said the tragedy was totally unexpected, and the circumstances highly suspect.

Other cases of deplorable practices include the continued imprisonment of Erno Borbely and Laszlo Buzas because of their suspected role in smuggling copies of anti-Hungarian fliers printed with the acquiescense of the government out of Romania. Both have been sentenced to six years imprisonment for "treason." The Romanian authorities reportedly severely tortured Laszlo Buzas by ripping out his fingernails.

Another of the many examples of persecution is that of Bela Pall who is thought to be held in a psychiatric ward of a prison hospital after his legal visit to Hungary in or about April, 1983. He has been committed to psychiatric institutions on several occasions in the past after openly criticizing the elimination of Hungarian educational opportunities in Romania.

An instance of shocking profanity involved 20,000 Bibles donated by the World Reformed Alliance to the Transylvanian Magyar Reformed Church which never reached their destination because they were diverted to Braila for recycling into toilet paper. The recycling process, however, left clearly legible Biblical words in the Hungarian language in the tissue. The Wall Street Journal, June 14, 1985.

The Romanian authorities have become so brazen that they even harass and intimidate foreign tourists who visit Hungarians in Romania. For instance, Zsolt Szekeres, a United States resident, recently visited Transylvania and met with a number of Hungarian intellectuals. Subsequently, he was detained by the police who deprived him of his passport and falsely accused him of having been involved in an accident. After being forced to spend the night in Tirgu Mures, Szekeres was interrogated for over seven hours concerning his contacts in Romania and Washington, D.C. During this interrogation, the police threatened him with physical violence.

Whether it is Romania's treatment of minorities, religious groups, intellectuals or would be emigrants, the stark reality is that instead of improving, the state of human rights in Romania has deteriorated during the period it has enjoyed the benefits of MFN. Applying the first criterion articulated by Vice President Bush, it is clear that modification of our policy toward Romania is overdue.

THE INSIGNIFICANCE OF ROMANIA'S SO-CALLED INDEPENDENT FOREIGN POLICY MANDATES SUSPENDING MFN TO ROMANIA

The second criterion -- independent foreign policy often is cited as justification for extending MFN to Romania. Although Romania may have on occasion pursued policies which tweaked the Soviet Union, it remains "landlocked" by "fraternal socialist states" and is acutely aware of the limits of its "independence." To the extent Romania enjoyed some leeway vis-a-vis Moscow, it was due to its geographical location, the internal repression of human rights and insistence on orthodoxy which preclude liberalizing trends that could threaten the existing social order and spill over to "infect" its neighbors, and by virtue of its ability to export oil. As Romania has become more dependent on Soviet energy supplies, its limited "independence" has become even more circumscribed. For instance, although in 1968 Ceausescu was absent from the Warsaw Pact summit meetings preceding the Soviet led military intervention in Czechoslovakia, during the December, 1980 Warsaw Pact meeting in Moscow, he "bitterly attacked the establishment of new independent [labor] unions in Poland," and harshly criticized the Polish government's handling of the labor union crisis. "Romania and Yugoslavia: Two Views of Communism," The Washington Post, January 13, 1981.

In addition, Romania's actual policies have not clashed with significant Soviet objectives. Its "independence" has been overvalued in the West and shrewdly exploited by Ceausescu. Even the mass media is beginning to realize the illusory nature of Romania's "independent" foreign policy. As noted by The Economist on September 1, 1984:

> Rumanians know the geopolitical realities. As an exporter of oil in the years after 1945, Rumania could afford to have real arguments with Moscow. Now, with Soviet oil and gas needed to fulfill even its modest growth plans, its claims to an "independent" foreign policy looks more and more like an attempt to dazzle the west -- and distract the people at home. (Emphasis added.)

More importantly, Romania's policies often are contrary to Western and United States interests. For example, Romania actively supports Marxists and other radical groups throughout the world. Ironically, in 1984 the Soviet Union voted on more occasions with the United States in the United Nations (13.2%) than did Romania (10.1%). Romania even resorts to assassination, e.g., the attempt on Paul Goma in Paris and the assassination of Emil Georgescu in Munich.

Thus, given Romania's closed and brutally repressive society as well as its over-emphasized but insignificant "independent" foreign policy, it should not be granted MFN next summer, absent steps demonstrating respect for minimal standards of human rights. The MFN leverage will become nonexistent (and our policy of differentiation will be discredited) if we fail to exercise it when circumstances, such as those existing in Romania, call for its application. It is not only naive to assume that continued trade benefits without anything more will somehow enhance human rights in Romania and our national selfinterest, it is also contrary to the facts. As noted above, Romania's human rights record has grown worse despite MFN. When the United States finally exercised its MFN leverage in 1982 by threatening to withhold trade concessions unless Romania abolished its "emigration tax," Romania responded by rescinding that abominable decree.

Over the years, we have signaled our displeasure with Romania's dismal human rights record to no avail. For instance, the annual MFN hearings before the Senate's Subcommittee on International Trade of the Committee on Finance and the House of Representatives' Subcommittee on Trade of the Committee on Ways and Means, have been characterized by somber pronouncements that Romania's unacceptable and worsening human rights record would have to improve. That scenario has been repeated every year with the Romanian government fully realizing that our expressions of displeasure were hollow. Romania brazenly continued to be unresponsive to our expressions of concern (except in connection with the emigration tax when we threatened to actually suspend MFN) and persistently and egregiously violated standards of human rights. In light of Romania's record, it is time to exercise the MFN leverage and modify policies that presumably are still in place because of bureaucratic inertia.

CONCLUSION

In conclusion, reaffirmation and application of our policy of differentiation mandates that MFN at least be suspended until Romania takes concrete measures to improve its human rights record.

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STATEMENT

OF

LOUIS L. LOTE

PRESIDENT, COMMITTEE OF TRANSYLVANIA, INC.

Mr. Chairman:

The extension of Rumania's most favored nation status for another year has never encountered so much opposition as this year. It seems that the never ceasing and increasing violations of human rights by the Rumanian government, which is the main characteristic of that regime, permeated the minds of a larger segment of the American public than ever before. Over the years it became more and more obvious that the Trade Act of 1974 narrowed down the intended effect of the law to the benefit of a relatively small section of the population of Rumania, to those wanting to emigrate, but "largely neglected the plight of those who do not even think of leaving the ancestral land", which is the overwhelming majority. (The quotation is from the editorial of the December 1975 issue of the Carpathian Observer, the periodical publication of the Committee of Transylvania). The editorial further suggests that the legislators "should lend an ear to both groups, /the emigrants and non-emigrants/ and act on their behalf dividing their attention and care more equitably".

In the last few years, but particularly since 1985, sentiments grew against Rumania in the U.S.A./ the euphoria at the Olympic games faded out fast and could not stand up for Rumania's benefit in view of the repressive domestic policy of that country/.

Persecution of the unrecognized religious denominations, (and also of those recognized) by the Rumanian government, became too much to bear for the coreligionist of the United States. The newest radical measures in the process of denationalization of the national minorities alarmed human rights organizations and rallied many U.S. legislators, representatives and senators, to condemn Rumanian repressive treatment of minorities in several resolution demanding suspension of the favorable tariff rates. Patriotic organizations joined in the demands and pointed out that American-Rumanian trade resulted a huge deficit for our country, in the amount of about 80% Rumania's import to the U.S. as against 20% American export to Rumania.

The question is in order: why our administration insists to a good relation with the country which is not only communist governed, but also the most repressive country among all the satellites countries, and why does it not react on Rumanian human rights violations energetically which would be commensurate with the prestige and power of the United States.

We are often reminded that the power of the United States to enforce his legitimate wishes in a foreign country is limited. Therefore we should not expect too much. We, however, believe that the limitations of this power also depend on the firmness of our intervention.

We do not advocate the cessation of our present relation with Rumania if this good relation in the interest of our country. But many examples show that national interest is seen differently by different people, or political parties, and we are not the one who understands the real reasons of having, and even bettering this relation, as Secretary of State Schultz expressed his wish to President Ceausescu last December in Bucharest.

We do not attribute too much significance to the attitude of President Ceausescu criticizing not only the United State but also the Soviet Union. As long as he does not hurt genuine Soviet interest, the Kremlin let him speak what ever he wants. And there is no indication that Rumania's so called independent foreign policy does harm the interests of the Soviet Union. On the contrary, it seems that Rumania acts with the full approval of Moscow and misleads American government circles. There are reports on the Rumanian role of passing Western technology to the Soviet Union in which Rumania is acting as a transfer station.

But our knowledge about American foreign policy toward the Soviet block is limited. We can only guess and draw conclusions from news such as the visit of the American Chairman of the Joint Chiefs of Staff in Bucharest in March 1985. (Our source, the Frankfurter Allgemeine Zeitung stated that "it happens very seldom that high-ranking members of the western military visit a country in the Eastern Bloc.") Presidents Nixon and Ford amicable visits to Rumania clearly indicated an extraordinary U.S. interest in Rumania which was considered as a break through into the Soviet Block seen that time as a monolithic, united entity approachable through the Kremlin only. Whether the Rumanian connection yielded the benefits which was expected from it, it remains a question for us.

Our experience of many years with Rumanian dealing with foreign policy affairs convinced us about the duplicity of the Rumanian communist diplomacy. It has simple but solid rules:

1/ Not to admit any shortcomings or blames for Rumanian domestic policies but vehemently deny them,
2/ If the facts are so clear that denial is impossible, invent a credible sounding motivation which is suitable to render the unacceptable facts understandable and acceptable, and assert it firmly.
3/ Promise change if there is no other way out but do not fulfill your promise,
4/ Find the right answer always for propaganda purpose, making believe that Rumania is a progressive, "perfect" country, the guardian of human rights and the people's interests,
5/ Declare readiness for cooperation with the U.S.A. and other western countries even if you do not want to cooperate, and if you actually will not cooperate,
6/ Concerning the national minority policies of Rumania the number one rules is: to deny that any problem exists. On the contrary, simply declare that the national minorities/ hungarians, Germans, Jews, Gypsies, etc./have never had so good as under the Ceausescu regime. If you need proof for your points, use suitable statistical data which mislead the uninformed listener. /One does not have to be cynical to know that statistical data can be used to prove and disprove the facts if taken differently out of context./

As the name of our organization clearly indicates we are concerned with Transylvania and in it with the population which, as the largest national minority, bears the brunt of the suppressive Rumanian minority policies.

Our concern is wholly justified because the Ceausescu regime seems to have decided to liquidate the 2.5 million strong Hungarian community of Rumania concentrated in the formerly Hungarian province of Transylvania. Some of the latest measures of this decision are:

1/ The complete elimination of Hungarian highschools and the Hungarian section of the only Transylvanian university in Kolozsvar /in Rumanian Cluj-Napoca/. This university was created by the forcible merger of the Hungarian and Rumanian universities in 1958 with the Rumanian pledge that the two sections of the new institution will be completely equal branches. The pledge was not kept. Today, only the Hungarian language and literature is taught in the Hungarian section. But what is even more outrageous, the graduates of the Hungarian language section are put to work in completely Rumanian inhabited province of Moldavia and Hungarian schools in Transylvania have about 200 vacancies in teachers.
2/ The complete elimination of the Hungarian language from official use in spite of constitutional assurances to the contrary. Lack of any degree of bilingualism.
3/ Discontinuation of individual tourist traffic between Hungary and Rumania; only organized groups may go to Hungary or are accepted from Hungary in Rumania. One of the most elementary human rights to travel is violated by the new restrictions.
4/ Discontinuation of television and radio broadcasts in the languages of minorities, Hungarian, German.

5/ Beating up, imprisoning and even murdering Hungarians by the police force is in the increase:

Rev. Geza Palfi, Roman Catholic priest arrested, tortured and beaten up so that he died from the injuries suffered. His "crime" was that in his Christmas sermon, Rev. Palfi complained about making Christmas day a regular working day in Rumania. /1984/

Arpad Visky, actor harassed and imprisoned, when released he was barred by Rumanian authorities to play in Hungarian theaters. Recently his hanged dead body was found by the police - a few minutes after he died according to medical opinion. Suspected is he was murdered by the police. /1986/

Zoltan Olah, a resident of Kolozsvar/Cluj/ was beaten to death by the Rumanian police for a kilogram/about two pounds/coffee at the police headquarters. /1985/.

Rev. Janos Cselik's a Hungarian Roman Catholic priest of Nagyvarad/Oradea/ both hands were broken by Rumanian police at a hearing so severely that a month afterward he still was under medical care. The police pressed him, under threat, to give information about the Catholic hierarchy and his parish members. As he was not willing to denounce members of his congregation, the police started to beat him.

Bela Pal, a mathematic teacher, has suffered a complete mental collapse in prison, as a result of his unusually severe treatment there. Following his return from Hungary in March 1983, where he attended the poet Gyula Illyes' funeral, he was harassed, frequently interrogated by the police, then arrested and in a secret trial he was sentenced to 6 years in prison.

These cases are but a sampling of atrocities committed by the Rumanian police. Many other Hungarian people, among them writers, poets, ministers, priests, local spiritual leaders were submitted to house searches, harassments and police brutality. Mentioning their cases would be too much to this report.

Transylvanian Hungarians have many more grievances but we listed only a few of them in our report.

A person not familiar with the spirit prevailing in the Carpathian Basin and surroundings may ask what is the reason for the mistreatment of Hungarians and other minorities in Rumania.

Of course, we do not know the answer, as we have no chance to discuss this problem with the Rumanian dictator, Mr. Ceausescu or some other high ranking officials of his regime. The foreign policy maker officials of our government could do that if they wanted to. But we have some ideas about it as our interpretation and we believe in it.

The number one reason according to our thinking is good old, old fashioned and in many countries already outmoded nationalism. Mr. Ceausescu is as we see him an ultranationalist dictator who wants to make Rumania a great country and the Rumanians a great nation, much greater than these are now. For this reason he also wants to transform his multinational country into a "unitary" /one nation/country where every inhabitants are ethnic Rumanian. Who are in the way of his grandiose project of pure Rumanian Rumania? Of course, the Hungarians, Germans and other minorities of Rumania. But Hungarians of Transylvania, Slovakia and Yugoslavia are the same Hungarians who populate Hungary, they are one nation having the same language, culture, history and aspirations. It is no wonder that these Hungarians who lived together in the same Hungarian kingdom for more than one thousand years, want to remain Hungarian no matter where they live in the former territory of Hungary in that last 65 years since the Trianon peace treaty which drew the new state borders over their head. Any other nations would want to preserve their identify the same way as Hungarians want to.

Whether Mr. Ceausescu realizes the wishes of the Hungarian community or not, it does not matter too much, because he still wants to pursue his nationalistic ideas of a unitary state. As a communist dictatorship the Rumanian government, having all the power of the state in one hand, the hand of the dictator and the Party, is in the position to carry out forcibly practically all his ideas. And because no other ideas, organizing or activity may be carried out without the approval of the central government, there is no way how the Hungarian community could defend itself from the forcible denationalization process, except with passive resistance. But that does not solve the lack of Hungarian schooling, the

Rumanianization of solid Hungarian districts, the communication with neighboring Hungary.

It is evident that the Transylvanian Hungarians need outside help in their struggle for their human and national rights. In the last many years Transylvania and human rights oriented organizations successfully made the Department of State and large number of U.S. legislators acquainted with the minority problems of Rumania. Our thanks and appreciation goes out to those members of Congress who initiated and became signatory of numerous resolutions on behalf of the Transylvanian Hungarians, including the recent Senate Resolution 372 which tells the Rumanian government that it should consider taking actions in the light of congressional concern and the Berne Human Contacts Expert Meeting of Helsinki signatory states:

> "/4/ Improve relations with ethnic minorities, including those of Hungarian, German, Gypsy, and Jewish descent, among others, particularly with regard to the safeguarding of cultural rights. Issues of concern include continued access to education in national languages, the retention of national libraries and museums, and university and secondary education in minority culture, language, and history."

A special thanks is due for those three U.S. representatives who wrote President Reagan May 1 urging him to suspend the Most Favored Nation trade status because of the human rights abuses in Rumania.

On the part of the Department of State we appreciate Ambassador Schifter's/now Assistant Secretary of State for Human Rights and Humanitarian Affairs/ statement included in his plenary speech at the Ottawa human rights conference: "We strongly believe in the protection of the cultural rights of the Hungarian minority in Rumania.. That will have to be an essential element of any bilateral human rights discussions." I strongly hope that the same feeling about the Hungarian minority prevails in the political wing of the State Department and will be expressed on the highest level of the Department in the not too distant future. We are convinced that high level intervention is the missing link in our struggle for protecting Hungarians from "cultural genocide" in Rumania.

In private talks in Ottawa, Mr. Schifter attempted to convince the Rumanian representatives that "fundamental social and societal problems exist within Rumania in the area of minority rights". He stressed that "the basic issues are societal and cultural but not territorial."

Here we insert another possible cause of suppression of Hungarians in Rumania. It appears to us that the Rumanian government and people are still not sure of their possession of Transylvania. They may feel so because the over one thousand year while Transylvania was an organic and original part of Hungary might seem overwhelming against the mere 66 years of Rumanian rule. They may be afraid that Transylvanian Hungarians wish to leave under Hungarian rule in Transylvania. Even though there is no wish expressed by Transylvanian Hungarians, and for that matter, there is no known activity within the emigration for the revision of the Trianon /1919/ and the Paris /1947/ peace treaties, Rumanian authorities often accuse Hungarians in Transylvania of working for revision. Typically to Rumanian attitude those accused usually requested only the revival of Hungarian schools, or Hungarian classes which requests have nothing to do with revision.

On account of the accelerated and drastic curtailments of Hungarian schooling, other human rights abuses by the Rumanian communist government, and the large trade deficit we oppose extension of the Most Favored National trade status for Rumania for one year, subject of recovering it to Rumania upon fulfillment of certain conditions to be monitored and verified by a U.S. delegation. Among conditions we list:

a/ Religious freedom for the non-recognized denominations as well as the 14 recognized denominations many of which are still harassed and strictly controlled by Rumanian central and local authorities.

b/ Discontinuation of suppression of minority cultures, foremost that the largest Hungarian minority. Concrete steps should include:
- reestablishing the Hungarian University in Kolozsvar/Cluj-Napoca/,
- restarting Hungarian high schools converted lately to Rumanian schools.

- discontinue the practice of placing Hungarian university graduates into pure Rumanian districts instead of Hungarian districts, particularly graduates from Hungarian language and literature, which is not taught in Rumanian districts.
- raise the number of admissions to the Protestant Theology to a level which covers vacancies.

As far as we know, President Reagan in his transcript to the Congress raised the possibility of suspending MFN for Rumania on religious base. For benefiting the suppressed minorities we urge the Department of State that suspension of MFN be based on human rights abuses of minorities, too, and this should be disclosed to the Rumanian government.

We are afraid that official silence about minorities could be interpreted by the Rumanian government as a green light to go on with the process of denationalization.

REMARKS OF
TAMARA DAVIS
EXECUTIVE DIRECTOR
CONSERVATIVE ALLIANCE

Mr. Chairman, and Members of the Subcommittee:

For the record, the Conservative Alliance is opposed to the granting of Most Favored Nation status to communist countries. however, it seems highly unlikely that this Congress will revoke the M.F.N. status of the countries in question. Therefore, we ask that this Congress strengthen the requirements for receiving M.F.N. status.

In recent years the need for reforms in the granting of Most Favored Nation status to communist countries has become undeniable. While it is true that the M.F.N. status can be a useful tool in improving the human rights of those who suffer at the hands of communism, it is a tool that has been used ineffectively and at times neglected by the craftsmen altogether.

The Jackson-Vanik Amendment to the Trade Act of 1974 sets forth the criteria under which a non-market country may receive M.F.N. trade treatment. The purpose of Jackson-Vanik is clearly stated in the amendment itself "...to assure continued dedication of the United States to fundamental human rights."

The Helsinki Watch stated "in spirit the amendment transcends the emigration practice of a recipient country to include also the factors and conditions that cause citizens to seek permission to emigrate in the first place."

However, the last three administrations have invoked their Presidential Waiver Authority to grant Most Favored Nation status to countries that not only fail to meet the emigration requirements, but have poor records on human rights violations as well. Therefore, not only has the intent of Jackson-Vanik not been realized, we have made a mockery of its spirit.

If the goals of Jackson-Vanik are to be achieved, it is abundantly clear that this Congress must do two things without delay.

First: Congress must broaden the scope of Jackson-Vanik. Rep. Siljander's bill, H.R. 2596, would deny M.F.N. status if there is any discrimination on the grounds of religious, ethnic or cultural orientation.

Second: Congress must revoke the Presidential Waiver Authority. This would force each country to meet the full requirements of every year to get their M.F.N. status renewed. Phil Crane's bill, H.R. 3057, would revoke the Waiver Authority.

It is highly unlikely that the countries in question, Romania, Hungary, and the People's Republic of China would fail or refuse to meet our demands. Romania, for example, exported almost $1 billion in goods to the U.S. in 1985, $134 million of that was shipped duty-free. (Our trade with Romania was in a deficit last year $743 million.)

Romania

Just a few days ago, Romania had her Most Favored Nation status renewed. The totalitarian regime of Nicolae Ceausescu is one of the most corrupt and repressive governments behind the iron curtain.

-- the February 1986 State Department Country Reports on Human Rights Violations cited that some Romanian emigration applicants had lost their jobs, apartments, ration cards, and their privileges of citizenship.

-- General Ion Pacepa, former dictator of Romanian Foreign Intelligence told the Wall Street Journal after his defection in 1978 that "Mr. Ceausecu serves as a conduit for the transmission of embargoed Western technology to Moscow." Mr. Pacepa also told the Journal that Romania supported the P.L.O. and trained guerillas in their paramilitary training schools.

-- Helsinki Watch described Romania as "the most egregious human rights offenders in Eastern Europe." they have documented many cases of arrests resulting in death of Christians and persecution of emigration applicants.

-- Amnesty International has closely followed the case of emigration applicant Dorel Catarama. Catarama was arrested and convicted under false charges. He was sentenced to 14 years imprisonment; his home was bulldozed, leaving his wife and son homeless; and the Romanian government tried to extort $75,000 in cash from his family members here in the U.S.

Ceausescu has assassinated his critics and clergy, tortured Christians, and treats emigration applicants as traitors. His reward for these deeds was Most Favored Nation status from a country that strives to be a vanguard of human rights protection.

People's Republic of China

The People's Republic of China has had Most Favored Nation status since 1983. Interestingly enough, in August of 1983, the government of the P.R.C. launched a mass wave of executions. Many press reports estimated that over 5,000 people were executed in three months. Many were executed in stadiums at mass public rallies.

The Articles of the Internatinal Covenant on Civil and Political Rights state in Article 6 "In countries that have not abolished the death penalty, sentence of death may be imposed only for the most serious crimes in accordance with the law in force at the time of the commission of the crime and not contrary to the Convention on the Prevention and Punishment of the Crime of Genocide."

In the P.R.C., people are executed for economic crimes of theft and bribery. Military personnel can be executed for undermining morale or disobedience. On September 5, 1983, two men were executed, having been convicted of hanging a banner with a "counter-revolutionary" slogan on it.

Many dissidents have been placed in "re-education labor camps," some without trial. Many people have been arrested for religious activities outside the state sanctioned "Chinese Patriotic Catholic Association." Many priests were tried and given long prison sentences in 1983.

If the United States government chooses to overlook these facts and continues to indiscriminately grant M.F.N. status to these countries, it will in fact be condoning and legitimizing their human rights abuses.

We have rewarded repressive communist regimes with our highest trade status, at the same time Congress is giving consideration to severe sanctions against South Africa for apartheid. This can only translate to the American people and our allies that this government has a schizophrenic foreign policy.

Therefore, I would strongly urge this subcommittee to stand for a more consistent and sane foreign policy -- pass legislation that would broaden the scope of Jackson-Vanik to take a tough stand against human rights abuses. Secondly, pass legislation to revoke the Waiver Authority so communist countries will be forced to comply with the requirements set forth.

Tamara Davis
Executive Director
Conservative Alliance

FEDERATIA GRUPURILOR ETNICE DIN ROMANIA, INC.
FEDERATION OF ETHNIC GROUPS FROM ROMANIA, INC.
P.O. Box 36, Rego Park, New York 11374

Mr. Joseph K Dowley, Chief Counsel
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington D.C. 20515

New York, June 4, 1986

Sir :

The today's New York Times announces the ones who care about U.S. relationship with Romania that President Reagan approved another year-long extension of trade benefit to Romania. This confirms that the present administration continues to recognize and support Romania's actions in asserting and defending its sovereignity, independence and territorial integrity.

As Charles A. Vanik said, "the purpose of the law was to try to make things better for the people through the exercise or through the denial of the waiver....."; "I think there are limitation to what we can expect ...." continued "the architect of this law" showing how the U.S. lost Czechoslovakian nation pointing out the danger for the East-Adriatic people "to be pushed into the Soviet orbit", the result of an on and off procedure would deteriorate the relationships between our countries.

The New York Times of June 3 confirms Romania's overall performance and improvement in the area of emigration, the most sensitive and most discussed requirement. Also, the Jewish Press of the week of May 30-June 5 a.c., stresses that "Romania is the only socialist country which officially recognizes 14 different religions including the Jewish faith. Nor has Romania obstructed religious delegations or religious leaders from visiting the country and communicating with the people".

However, the granting of MFN status still arouses controversy prompting a variety of congressional initiatives designed to affect the process. There are several bills and resolutions that directly concern the issue of Romanian MFN status beside some others focusing on the policy of MFN itself. So, the MFN's further extension of waiver authority is jeopardized by the same issues as in other years. The New York Times of June 4 a.c., criticizes the primacy of the Romanian Orthodox Church which "has a special position in society" without taking into consideration that Romania is a national state and 80% of the population is Orthodox. Also, there is the Eastern Orthodox faith and its language that characterize the Romanian spirituality and kept the Romanians as a Latin island in a mass of slaves. Beside this, they are the ones who hold Romania on world map.

It is said to find out that the relationship of a nation of 240,000,000 people with a nation that counts ten time less population depends on the freedom of a Seventh-day Adventist and one thousand emigrants.

The peaceful-minded nationals living outside Romania rely on the provisions of the joint determination implemented in the past 11 years, a fact that supports the continuation of the MFN treatment to Romania.

Taking into consideration the international context, we sincerely hope that you will give your consideration to maintaining the most-favored-nation treatment to Romania.

We thank you very much for taking the time to read our message.

Faithfully yours,

C. Marinescu

Constantin Marinescu
President

Factory & Shipping
260 W. 39th Street
N.Y.C., N.Y. 10018
(212) 840-6894

FOR pete's SAKE

New York Showroom
1407 Broadway
Suite 1406A
New York, N.Y. 10018
(212) 391-2490

June 12, 1986

Gentlemen:

We are in the ladies ready to wear business, under the name of FOR PETE'S SAKE. For five years we have been importing merchandise from Romania with great success, and maintaining excellent relations both with the people involved and with the government agencies. In order for us and the American public to have the full benefit of trading with Romania, we must renew their Most Favored Nation status. This would be in our interest and that of the Romanians.

My associates and I have been to Romania innumerable times. We have never ever seen any problems of any kind. We travel freely, anywhere we want, and we have seen churches and visited synagogues open to all.

I have never heard or seen any kind of incidents violating people's rights.

My belief is that by continuing Most Favored Nation status, we are doing something to help our own foreign policy. By helping Romania economically, we are pulling them away from the Russian influence, and making them more independent.

Another factor in their favor is their independence in showing up at the 1984 Olympics. Their indepence by not being involved in military maneuvers with the USSR is also important.

The fact that they maintain relationships with Israel, and are the only Communist bloc country to do so, is again helpful to our cause.

Based on all the above, I am asking for your support to renew the Most Favored Nation Status for Romania.

Sincerely,

Irvin Passalais

IP/ng

STATEMENT
on the
MOST-FAVORED-NATION STATUS OF RUMANIA
before the
SUBCOMMITTEE ON TRADE
of the
COMMITTEE ON WAYS AND MEANS
of the
U.S. HOUSE OF REPRESENTATIVES
on behalf of
THE HUMAN RIGHTS COMMISSION OF THE UNITED CHURCH OF CHRIST
and
THE HUMAN RIGHTS COMMISSION OF THE WORLD REFORMED ALLIANCE, NORTH AMERICAN AND CARIBBEAN AREA
and
THE COMMITTEE ON TRANSYLVANIA

by

REV. DR. ALEXANDER HAVADTOY
FAIRFIELD, CONNECTICUT

June 10, 1986

THE HUNGARIAN REFORMED CHURCH IN RUMANIA

Dr. Alexander Havadtoy

The multinational region of Transylvania, the home of the Hungarians in Rumania, has a long heritage of religious freedom. It was in Transylvania that freedom of religion was written into law for the first time in history (1557). Today the Ceausescu Regime,through its organ, the Ministry of Cults,exercises a policy of total interference in ecclesiastical matters. Religion in Rumania corresponds with nationality. The Rumanians are almost all Rumanian Orthodox; Hungarians are either Roman Catholic, Reformed,Evangelical or Unitarians.

The Hungarian Christians in Rumania, wether Protestants or Catholics, have to live today under threefold pressure: First the internal policies of the militant-atheist State and a crass personality cult which in many respects surpasses that of Stalin; Second the suprpression of a national minority by the chauvinisticly influenced majority which uses the power of the totalitarian state against them; Third the religious suppression which derives from the unpleasant situation of a relgious minority vis-a-vis the predominance of the Rumanian Orthodox Church which enjoys the previleges of a state church and is the carrier of Rumanian nationalism.

The Hungarian Reformed Church with 800,000 registered communicant members is organized in two bishoprics, each led by a bishop. The district of Kolozsvar (Cluj-Napoca) comprises 8 dioceses, the district of Nagyvarad (Oradea) 6. The bishops are appointed by the Communist Regime and are totally subservient to its whims an wishes. Three representatives of the Ministry of Cults sit in the meetings of the Executive Council with their interpreters, establish the agenda and participate in the deliberations. No decisions can be made by church officials unless they are reviewed and approved by the Communist authorities. With the exception of Sunday worship services, no other church gatherings can be held without the approval of the Ministry of Cults,which in practice does not grant such approval. Congregations are denied their historical right to call their own ministers. The state, through the regional offices of the Ministry of Cults, has reserved the right to appoint them.

Religious education is restricted to six weeks of confirmation instruction during the winter months. These classes may be held only in church buildings which are mostly unheated. School authorities are instructed to cross-examine students attending confirmation classes about their religious beliefs. The children must account in regular school for their desire to be instructed in religion. These daily inquisitions are intended to discourage students from attending religious education. To reinforce this anti-religious attitude, schools are directed to organize compulsory activities to coincide with the confirmation instruction being held in the church building.

Due to the present oil crisis in Rumania,which weighs heavily on the Rumanian economy, President Ceausescu has introduced a new rule concerning travel on Sunday by private transportation. In the future, travel by car will be permitted only on alternate Sundays depending on the odd and even registration of the cars. This hits very hard at ministers who have to travel great distances to minister to their congregations. Several pastors have requested the novernment to provide exemption for the saying that they would be willing to surrender two other days of nontravel in exchange for being allowed to travel on Sundays. The Ceausescu Regime answered with a peremptory "No".

Publication of religious books and periodicals is extremely restricted. The propaganda booklet prepared by the Ceausescu Regime: "The Hungarian Nationality in Romania", distributed in 1976, is able to list only five theological books published in Hungarian during the past forty years. The Hungarian Reformed Church is allowed only one bimonthly publication in a mere one thousand copies. However, even this publication appears usually 12-18 months late. Church libraries are forbidden to lend any books. Theological literature sent from the West does not reach its destination. Church delegates visiting from abroad are not allowed to meet with their Hungarian colleagues freely. The aim of the state is to isolate the Reformed Church not only physically but also spiritually from her traditional Western bases.

Since the time of the Reformation studying at West-European Protestant Seminaries was a solid ingredient in the education os Transylvanian Reformed ministers.In Switzerland, Holland, West Germany, Scotland several thousand Reformed theology students had studied in the past. Today, in the era of excellent travel facilities and with intensive ecumenical connections, it is a rarity if once in a great while a Reformed theology student is permitted to go abroad for a year of study, even though that students from Transylvania are awaited with generous scholarships not only in Western Europe but also in North America. But only ministers with completed studies and with family are considered for permission. The family must stay in Rumania as hostage. In comparison, the Orthodox Church in Rumania, which has no Western ties, could and can send at lest 30 theology students a year to Western Europe and North America, thanks mostly to generous Protestant scholarships.

The Hungarian Protestant Theological Institute in Kolozsvar (Cluj-Napoca) came into being in 1949 as a result of the forced merger of the independent Reformed, Evangelical and Unitarian Seminaries. Thus the Protestant Churches have been deprived not only of their historical traditions, but also of their traditional sel-determinatio The curriculum and the student body is carefully selected and supervised by the Ministry of Cults, whose representative is present at all faculty meetings. A representative of the Securitate (State Police)lives in the Seminary among the students.

The most serious blow to the future of the church is a recent decision of the Ministry of Cults to drastically cut back the number of theology students. This brutal restriction of the students by the state (in 1977 there were 34, 1978 3o, 1979 15, 1980 7, 1981 6,1982 6,1983 3, 1984 6, 1985 6) signifies that the entire existence of the Hungarian Reformed Church in Rumania is in danger, and due to natural losses, it faces the total liquidation of its present structure within one generation. The reesteblishment of the original 30-35 new admissions would be absolutely necessary. In applicants there is no shortage. In 1985 76 young reformeds applied to theology studies. That 70 of them had to be refused, due to the pressure of the Ministry of Cults, is especially painful in Protestant church circles. Even more shocking is for them the discrimination in favor of the Orthodox Church which presently has about 1000 seminarians, so that their supply in priests is assured more than adequately.

One of the greatest grievances of the Hungarian Reformed Church in Rumania is that it cannot obtain Bibles and Hymnals. These two most important tools of religious life have been simply out of print for decades. The church officials could not obtain permission for their reprint from the Ministry of Cults, the political arm of the Communist Regime, which supervises the life of the churches. Foreign visitors are thoroughly searched at the borders. The customary question of the border guards an custom officers is: "Do you have guns, drugs or Bibles?" The Presbyterian and Reformed Churches of the West through diplomatic channels have made it known to the Ceausescu Regime that according to the peace treaties after the Second World War,and according to the Helsinki Accords, it is under obligation to permit the reprint of Bibles and Hymnals. They made it clear also that if such reprints would be impossible due to the lack of modern printing technology or lack of paper, they would be prepared to supply their Protestant brethren with Bibles and Hymnals.

Under Western pressure, the Ceausescu Regime gave permission to the World Reformed Alliance to send 20,000 Bibles to the Hungarian Reformed Church in Rumania. The leadership of the Alliance considered this a triumph of patient and persistent church diplomacy. The Rumanian Ambassador in his talks with United States Senators and Congressmen, especially during and before the debates concerning the renewal of the "Most Favored Nation" status of this country, often pointed to the acceptance of 20,000 Hungarian Bibles as a sign of his regim's magnanimity toward the Hungarian minority in Rumania.

The first shipment of 10,000 Bibles was sent in 1972, following the General Assembly of the World Reformed Alliance in Nairobi, Kenya, when the then president of the Alliance, Dr. Wilhelm Niesel, initiated the gift. In the Fall of 1981, another shipment of 10,000 Bibles was presented to Bishop Nagy, of the district of Kolozsvar, by the Reverend Odd B.Telle, of United Bibles Societies, and the Reverend Edmund Perret, general secretary of the Alliance, at the meeting in Brasso-Poiana, Rumania. Out of the first shipment only 180 copies were distributed in the church district of Nagyvarad (Oradea), the rest of the Bibles were stored away.

The fate of the 20,000 Bibles was shrouded in mystery. The leadership of the Hungarian Reformed Church in Rumania, being appointed by the Communist Administration and completely subservient to it, could never give a proper account of their distribution. The congregations themselves never heard anything about their existence. Even if the Bibles had been completely distributed among the 800,000 Hungarian Reformed Church members, only one out of 50 would have received a Bible. The great need for Bibles would not have been ameliorated.

After a long silence, the Bibles reappeared in Rumania in the form of toilet papers. The mystery of the Hungarian Bibles was finally revealed. It was observed in the regions with large Hungarian populations that the toilet papers, which were extremely scarce on the market, and for which people were standing in line for long hours, contained certain letters and even words. After careful examination, they noticed that the words and characters were strictly of Hungarian origin, and there were practically no Rumanian words or letters among them. It was also observed that such words as "Esau," "Jeremiah," "God," "vers," reappeared with frequency, from which it was not difficult to see, that the toilet papers were produced out of Bibles.

The 20,000 Hungarian Bibles sent by the World Reformed Alliance were obviously sent to the paper-mill in Braila to be recycled for the manufacture of toilet papers. But, as it often happens in Communist Rumania, the pulp-mill did a rather shoddy job. The excellent quality of western bibliophile paper and print could not be recycled by the crude pulp-mill. Shreds of paper, with original words and letters, remained almost intact on the final toilet paper products.

From the rolls of toilet paper brought out to the West, it can be established that they were manufactured in the "Bistrita Prundul Birgaului" factory, located in "C.I.C.H. Braila I.H" industrial zone, under the series "1CA TIP 11. Stas 9202/72", carrying the name "HIRIE IGIENICA Tip. 11" that means No. 11 type toilet paper, which was put on the market for 2.02 Lei. The rolls carry from one end to the other only Hungarian letters and characters, which, according to paper manufacturing experts, indicate that large volumes of Hungarian Bibles had to be used for this purpose. They testified to the fact that at least 10 tons of Bibles had to be used in order to produce whole rolls of toilet papers containing biblical fragments from one end to the other. This was the way in which the fate of the 20,000 Hungarian Reformed Bibles sent by the World Reformed Alliance came to light.

From words and letters appearing on the toilet papers, it could be established that the Bibles used for their manufacture were from the 1957 Edition of the United Bible Societies, published in London and printed in the Netherlands. On one roll of toilet paper for example there were 16 Biblical fragments of which the exact original location of 8 words and numbers could be accurately established.

They are the following:

1. TER	PETER		The First Letter of Peter
2. EI	LEVELEI		Opposite page
3. Sere	Seregeknek Ura	(Lord of hosts)	Psalm 84:3
4. magato nnetek	magatokat bennetek	(yourselves) (yourselves)	11 Corinthians 13:5
5. 14. En		(14. I will...)	11 Samuel 7:14
6. Itali	Italiaba	(to Italy)	Acts 27:1
7. Izrae	Izrael	(Izrael)	
8. Sinai			
9. raelt	Izraelt		
10. 6.16		(cross reference)	e.g Matthew 14:1
11. erot		(power)	Acts 1:8
12. poko	pokol	(hell)	
13. Ur	Uram	(My Lord)	Matthew 25:27
14. resz		(chapter)	small print, reference
15. Ezsau	Ezsau	(Esau)	
16. v. Iste	v. Isten	(God)	

The action of the Ceausescu Regime clearly reflects its contempt of religious life in general, and of the Hungarian Reformed minority in particular. There were many book burnings in history. However, such deliberately barbarian and cynical a deed which would use the Holy Scripture for the making of toilet papers is unique in human history.

The Ceausescu Regime is not making a secret of the fact that the Hungarian Bibles were turned into toilet papers. Rick Nelson, an aid to U.S. Rep. Tom Lantos, D-California, visited Rumania with a congressional delegation concerned with human rights in December of 1984. He first heard the Bible story there, and stated it was common knowledge in Rumania. He said his chauffeur passed a paper mill in Braila and said, almost in an aside, "Oh, that's where they turned the Bibles into toilet paper." Many such toilet papers are in the possession of Rumanian citizens who are waiting for the opportunity to send them out to the West.

Ceausescu's appetite for Hungarian Bibles must be on the increase. We received information from reliable sources that he ordered the confiscation of all Hungarian Bibles and religious literature from the homes of the Hungarian population in the district of Moldavia, in which, even according to Rumanian statistics, there are still 120,000 Hungarian speaking individuals. One can assume that these Bibles and Prayer Books will also end up in the pulping-mill of Braila, in order that they may reappear on the market place in the form of toilet papers.

The pulping of the 2o,000 Bibles sent from the West could not have been accopmlished without the active support of the two Reformed "Bishops", Gyula Nagy and Laszlo Papp, both appointed to their offices by the Communist Regime, against the wishes of the clergy and lay people alike. Papp is also a member of the Rumanian Parliament, and thus any criticism directed to him by the clergy or church members is considered a subversive act against the State. Papp rules with the help of the feared State Police. In May 1984 he ordered the arrest of 8 of his ministers, the Reverends Lajos Gavaller, Lehel Gyokossy, Bela Csernak, Bela Balogh, Gyorgy Antal, Sandor Berke, Janos Molnar,Jr., Sandor Szilagyi, who were subsequently tortured. In the case of the Reverend Bela Csernak, who was sentenced to three years' for receiving "illegal" Bibles from the West, Papp requested an additional one and a half years for him, which the court dutifully granted.

"Bishop" Papp forces local congregations to give up their sacred right to call their own ministers. In case of non-complience, the congregations remain without a pastor, sometimes for years. (Ex. Borvoly, Gencs, Zilah.) This wolf in shepherd skin instructs his ministers how to deny the requests of the parishioners who demand the holding of Bible classes. No wonder "Bishop" Papp and his colleaugue, Nagy, were more than willing to oblige their Communist overlords and to pass on the 20,000 gift Bibles of the World Reformed Alliance to the pulping factory in the Braila industrial zone for the manufacture of toilet papers. The scientific chemical analysis proves beyond a shadow of doubt that they were made from Bibles supplied by the United Bible Societies to the World Reformed Alliance.

Whenever the Most Favored Nation status of Rumania is in danger, the Ceausescu Regime finds it opportune to send its "Bishop" as an unregistered foreign lobbyist to Washington to convince our Senators and Congressmen and the press of the great religious liberty enjoyed in Rumania. Hopefully he is given the credibility which his record warrants.

The Kolozsvar district of the Reformed Church is in the same predicament with its "Bishop" Nagy. He, too, is a loyal soldier of the Communist State. Even though the Constitution clearly states that ministers and bishops cannot serve beyond their 70th birthday, "Bishop" Nagy refuses to retire at 75. When he was reminded of this by the vicar general, Professor Dr. Istvan Tokes, Nagy dismissed him of all his offices. Not only Professor Tokes suffered the ire of the "Bishop," but also his son, the Reveredn Laszlo Tokes, an associate minister in Des (Dej), who was put on trial and dismissed from the pastorate. The "Bishop" succeeded in eliminating all the trusted and experienced advisors of the church, and rules now strictly with the help of the representatives of the Ministry of Cults. To ingratiate himself to his overlords, the "Bishop" is willing even to procure the demolition of Reformed church buildings, such as the 2500 seating capacity church in the heart of the city of Brasso (Brasov). The basic problem is that the Reformed Church under the pressure of the State gave up her traditional synod-presbiterial form of government which works through corporate leadership, with proper checks and balances, and changed over to the episcopal system which is far more convenient to the totalitarian state.

The harrassment of ministers through house searches, severe interrogations, beatings, incarcerations, psychiatric hospitals, open and secret executions by the State Police is on the increase. The brutal murder of such fine ministers, as the Reverends Kalman Sass (executed because of his Swiss connections), Bela Gonczy, Dr. Gyorgy Fabian (killed by police after a minor car accident), Istvan Kali (thrown before a train by Securitate), Janos Baranyi (hanged), Sandor Major, Peter Andras (hammered to death by Securitate), Kalman Szilagyi (hit by police truck), just to name a few of the many martyrs of the Hungarian Reformed Church, is the most outrageous abuse not only of minority churches, but of plain human decency.

A painful loss in the life of the churches is the confiscation of church archives, antique chalices, altar cloths, antique Persian rugs, etc. Persian rugs were used to cut down the echo of the sanctuaries. These measures are directed exclusively against Hungarian churches.

Act No. 63 of November 2nd, 1974, on the protection of the national cultural treasury, and Decree/Law 207-1972 are major tools used to eradicate the history of the Hungarian churches. Under the above laws, the government nationalized all documents, official and private correspondence, memoirs, manuscripts, maps, films, slides, photos, sound-recordings, imprints, seals and like material, over 30 years old, from the possession of religious and cultural institutions and private citizens.

The pretext is the "protection" of these documents, but the real intent is obvious from the crude manner in which the regulations have been enforced. The material was, in many cases without receipt, loaded into trucks and carted away. The historical order of the archives has become completely disrupted in the process, rendering scientific research for the next decades impossible. Thus, the Rumanian government has openly embarked on an escalated campaign against the Hungarian Reformed churches and people. This has been a tremendous blow especially against the Reformed Church which has been preserving in its archives the tradition of its religious and linguistic individuality, dating back to the times of the Protestant Reformation.

The afore-mentioned outrages form part of a systematic effort to rewrite the history of the region in order to suppress the significance of the indigenous Hungarian culture. Another means for achieving the same objective is to "facelift" the tombs and crypts of famous Hungarian families in the ancient cemeteries by allotting them to recently dead Rumanians. In this way, the ethnic composition of the former population, now dead, is restructured favorably.

Add to this spiritual oppression and virtual genocide also the physical suffering of the people. Frequent visitors to Rumania have noticed that the population is getting visibly thinner and thinner every year. This is not the result of a massive diet program but simply of a food scarcity. In spite of the fact that Rumania received $11 billion in loans from the West, and gained another $11 billion through the custom privileges guaranteed by the Most Favored Nation status, the country is de facto bankrupt. The recent rescheduling of debts will not solve its financial and economic problems and will push the population into even greater misery. In order to delay the final day of reckoning, the Ceausescu Regime will not hesitate to sell the last morsel of bread out of the people's mouths. The silent tolerance of the horrible conditions in Rumania by the rest of the world will be not only the continued brutal oppression of the religious life of the Hungarian Reformed churches, but also the physical ruin of the entire population.

And yet, in spite of all these difficulties and nightmarish conditions, the church is alive. The church members are faithful which is manifested by relatively high attendance at the services and an astonishingly great readiness to sacrifices and personal involvement. We can best help this unfortunate church by pressuring the Rumanian state through every possible means, economic and spiritual, to grant her basic religious freedom and ~~basic~~ human rights. To remain silent in the face of this tragedy, means to become an accomplice of the oppressor.

Our record in the United States of America is not one that we could be proud of. It has been a rude and frustrating experience to witness how our own State Department, despite the extensive documentation in its possession, has tried to whitewash a sinister, tyrannical regime and cover up its missdeeds.

When the toilet papers made out of Hungarian Bibles were presented to the State Department on November 15th,1984, the officials of the Rumanian Desk used every possible means to confiscate them. They kept the toilet papers in their possession for months and were not ready to return them until legal action was taken.

The earthquake which struck Rumania on March 4th, 1977 seriously damaged 78 Hungarian Reformed churches. Of the buildings affected, five had to be demolished. The cost of repairs was estimated at $ 2,000,000. Sister churches in the West raised large sums of money to send to Rumania for the restoration of these buildings. Because the church represents the last stronghold of minority culture in Rumania, the deterioration of these buildings deprived the congregations of much more than their places of worship. Many of these churches are historic and artistic monuments, built by Hungarians many centuries ago. They represent cultural landmarks for all Hungarians. The Rumanian government's aim was to neglect the repair of these churches, and thus eradicate even this Hungarian heritage from the land.

Some of the eartquake-damaged churches have been restored thanks to the forthright and forceful actions of the Swiss, West German and Dutch governments. Those contries pressured the Rumanian Communist Regime to allow the transmittal of church aid (money and building materials) for the repair and reconstruction of the earthquake-damaged Hungarian churches.

Unfortunately, we in the United States were not as successful with forwarding the aid collected in our churches and local commuinities. Instead of helping the efforts, the State Department gave credence to the Rumanian Government's allegation that Hungarian Reformed churches were not even damaged in the earthquake.
In responding to the United States Senate's inquiry, the State Department merely repeated the Rumanian Government's claim that: "The earthquke which caused demage to several churches was in two precise regions of Rumania and did not hit Transylvania, the area where ethnic Hungarians and Germans live." (Congressional Records 1980)

Thus, the State Department, instead of assisting in the transmittal of sorely needed funds to the earthquqke damaged churches, played into the hand of the Communist Regime which successfully blocked all aid collected in the United States from serving its designated purpose.

The State Department, in order to secure for the Rumanian Communist Regime Most Favord Nation status, is willing to go to any unethical lengths. The time has come, however, when our national honor demands that we radically re-think our relitionship to the Communist Regime of Rumania.

International Commodities Export Corporation
707 WESTCHESTER AVENUE WHITE PLAINS, NEW YORK 10604 TELEPHONE (914) 683-8333
CABLE COMODINTER NEWYORK TELEX ITT 420258, RCA 232316, FAX 914-683-3295

EMIL S. FINLEY
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

June 6, 1986

The Honorable Sam M. Gibbons
Chairman
Subcommittee on Trade
U.S. House of Representatives
Washington, DC 20515

Dear Mr. Chairman:

I should like to take this opportunity to present my views and those of my company in connection with the hearing relating to the President's recommendation covering MFN status for Romania.

Our company has been dealing with Romania on an increasing basis for over 16 years. During that time we have managed to increase our annual exports to Romania to over half a million tons, comprising phosphate rock and sulphur. As a founder of our company I feel it is my obligation to see that these exports continue.

For this purpose, and to enable Romania to finance most of these exports, we formed, over five years ago, a joint venture company with the Romanian government trade organization under the name of Amrochem, Inc., a Delaware corporation, headquartered in White Plains, New York. The exports and imports under this arrangement are close to $125 million per annum. To look after our export business we also established our own office in Bucharest. Daily supervision of these transactions enables us to maintain our exports with a minimum of problems and reasonable profitability for ourselves and the American producers whose products we ship.

I believe that it is in the interest of the United States to continue MFN status for Romania. If we were to try to expand our exports to Romania further it would make even greater sense to grant Romania MFN for a longer period than one year, perhaps a minimum of three years. It is difficult to plan and execute sizeable transactions in international trade without a longer time frame. American raw materials which are essential for Romanian industry are difficult to secure without long-term plans and contracts. They cannot be left to ad hoc purchases, shipping arrangements, pricing, financing, and other factors of international trade.

Apart from the foreign policy interests of the United States, which are not inconsiderable insofar as Romania is concerned, there are basic and selfish economic objectives which the United States must also pursue. Our trade deficit at this time is the worst in the history of our country, amounting to over $150 billion. We believe that our company's annual exports of some 350,000 tons of phosphate rock produced by Texas Gulf and some 150,000 tons of sulphur produced by Pennzoil and exported to Romania are of considerable importance toward helping our trade balance and generating employment for many Americans.

Should MFN status be denied or even suspended, Romania would find it difficult, if not impossible, to finance its purchases of American phosphate rock and sulphur by virtue of losing its exports to the U.S. In such an event Romania would be compelled to purchase rock from Morocco and Syria and sulphur probably from Canada and Mexico. Once Romania has made the necessary commercial and technical adjustments for such new purchases, it is doubtful that the U.S.

could recapture this market for many years to come, if ever. We know from past experience that economic sanctions for political reasons generally have hurt American producers and exporters who were forced to stand aside while our allies frequently profited from these situations. Furthermore, it becomes increasingly difficult to convince our foreign buyers that the U.S. can be viewed as a reliable supplier.

From another point of view Romania, in contrast with most other debtor nations, has met its obligations and has brought its payments back on schedule at a considerable human and political sacrifice. Romania may, in fact, be the only nation whose payments are back on schedule.

While there is no question that Romania is well within the sphere of the Eastern bloc, it is also a fact that it is the only member of that bloc that has no Soviet troops on its soil. It is also the only member of the Eastern bloc which has for years maintained direct relations with our only true ally in the Middle East, Israel. And last but not least, it was the only member of that bloc which participated in the Olympics in Los Angeles in 1984.

For all these reasons the undersigned and the company he heads fully agree with President Reagan in supporting MFN for Romania and therefore urge you and the Subcommittee to favor such continuation in the best interests of our country.

Respectfully submitted,

Emil S. Finley
President and
Chief Executive Officer

ESF/mf

12 June 1986

Mr. Joseph K. Dowley
Chief Counsel
Committee on Ways and Means
U. S. House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

Subject: Most Favored Nation Status - Socialist Republic of Romania

Dear Mr. Dowley:

This document is presented to you in support of Most Favored Nation Status for the Socialist Republic of Romania.

I refer you to an article which appeared last week in the Wall Street Journal wherein it was stated that the Romanians missed two(2) payments on their internationl debt; this deliquency being a direct result of the Chernobyl Nuclear accident i.e., the countries importing food items from Romania would no longer take delivery of food during the period of Nuclear Waste Contamination. I am familiar with Resolution 1817 and other similar Resolutions regarding human rights violations by the Socialist Republic of Romania; but, these human rights violations referred to are not significant relative to the problem of hunger in Romania.

For some years now the Romanian people have not had sufficient quantity or quality of food. Moreover the average Romanian is not interested in the question of human rights. The average Romanian is interested in where he is going to get food for himself and his family for the next day.

I encourage support of Most Favored Nation on the basis that the revoking of Most Favored Nation Status simply places an economic burden on the Socialist Republic of Romania; the effect of which will mean less food to the average Romanian.

The Company I work for, Jim Walter Metals, Charleston, South Carolina, trades with the country of Romania and as a result of our trading efforts we have the right and the Socialist Republic of Romania has the obligation to buy from us an equal dollar value of American made goods.

Summarizing my support of Most Favored Nation, the prolongation of Most Favored Nation Status for the Socialist Republic of Romania satisfies both the human rights issue and at the same time helps to reduce the U. S. trade deficit.

Very truly yours,

Jerry C. Pryor
Vice President
Manufacturing and Sales
JIM WALTER METALS
P. O. Box 121
Old Mt. Holly Road
Mt. Holly, South Carolina 29463
(803) 572-1100 or 1-800-323-5052

dc

DREPTATEA "THE JUSTICE"

Independent organ for information of the Romanians in America

P.O.Box 54 , Times Square Station , N.Y. 10108 , U.S.A.

COMMITTEE ON WAYS AND MEANS
ATTN : Mr. Joseph K. Dowley - Chief Counsel
1102 Longworth House Office Bldg., Washington, D.C.20515

Mr. Chairman :

It is a fact that the U S S R. is opposing any improvement of relations, between Romania and U.S.A..

Moscow is doing everything , in order to maintain Romania under its control and influence .

Therefore , respectfully we submit and ask your consideration for the evident attempts of the Soviet propaganda and subversion , in order to disrupt any ties of Romania with United States , or to destroy the image of the Romanian leaders .

Our newspaper has strong evidence that the KGB is using the political fanatism of the Romanian and Hungarian nazis from outside their cpuntries , in order to exploit their patriotic feelings .

Please , verify yourself that most of the Romanian churches from the U.S.A., are connected with the Russian Orthodox Authorities , subject to control of the Patriarchate of Moscow .

These churches are the main centers of the nazi-Romanian activities .

Regarding the Hungarian nazis , they are connected direct with the Budapest regime - Transylvania problem , which is well known that is controled by Russians .

Respectfully we inform you , that some informations which have been submitted by such individuals or organizations , are untrue .

The best example of such a hypocrisy , is the case of the Rev. Ghe. Calciu , whose name appears almost in all documents concerning Romania's lack of religious liberty . But is well known , that Rev. Ghe. Calciu is a fanatic nazi and a nefarious killer of the Romanian patriots , in the communist prisons (The Pitesti jail) .

The same is the situation with some few trouble-makers who claim religious oppression in Romania and who are existing in any human society . Always and anywhere you will find some religious fanatisc , ready to represent themselves as martyrs .

Such a examples are unlimited and they are proving that "somebody" is interested to produce confusion with untrue informations .

Yours very sincerely

Dean Milhovan , Editor

New York, 06. 07, 86

LAFAYETTE COLLEGE

Department of Religion

June 9, 1936

Mr. Joseph K. Dowley
Chief Counsel
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Dowley:

I am very pleased to submit this letter for the record of the printed hearing of the Subcommittee on Trade of the Committee on Ways and Means of the U.S. House of Representatives which is examining the issue of most-favored-nation (MFN) trading status for the Socialist Republic of Romania. I deeply regret that I am not able to present oral testimony to the Subcommittee due to a prior commitment of a year's standing.

I have studied the religious situation in Romania for the past fifteen years. I have visited the country on eight different occasions; the longest period of time was from August, 1977, to August, 1978, under the International Research and Exchanges Board Senior Research Scholars' Program and the DHEW:OE Fulbright-Hays Faculty Research Abroad Program. My most recent trips were in May of 1985 and then in January of 1986 when I took a seminar of twenty-eight Lafayette College students to Bucharest after a program in Leningrad, Novgorod, Moscow, and Kishinev. The Romanians provided us with an excellent academic program and treated us with every possible courtesy. Over the years I have worked with the leading scholars in the Theological Institutes as well as in the Research Centers and Universities. The cooperation that I have received in my research has always been of the finest kind. I have traveled extensively throughout the country on my own attending services of all the religious communities from Constanţa to Oradea and Sighet to the Danube (many times completely unannounced). I have interviewed the leaders at the various levels of these communities, and I am aware of deep troublesome concerns as well as reports of and gratitude for the remarkable religious life and activity that has emerged. I am deeply impressed by the profound religious faith that I have encountered which I believe has a critical and creative role to play in the finest developments of the Romanian society. It should be recognized that there have been very important measures taken by the authorities in recent years significantly enlarging the scope for religious activities. In the light of my experiences, encounters, and academic research over the past fifteen years, I was pleased to learn that President Reagan has forwarded to Congress his determination to continue the most-favored-nation tariff status for Romania for 1986-87. I understand that the issue of whether or not to extend MFN to Romania for 1986-87 was carefully examined at the highest levels of our administration and that a variety of options were seriously considered. I also understand that the President clearly expressed his profound concerns regarding the "Romanian Government's violations of basic human rights and religious freedoms" and his "disappointment over the Romanian Government's very limited response" to the numerous concerns expressed.

I, too, am deeply concerned by the charges that I have heard made from a variety of sources, and I can only deplore and denounce such violations if the facts are as they have been presented. Over the years I have personally discussed various problems related to human rights and religious freedom with the Romanian authorities, and I have always received a most respectful hearing. It was my hope that the Romanian authorities would continue to enlarge the breathing space of the religious communities and to vigorously defend their rights whenever these were threatened or violated.

I find the President's concerns and requests regarding the imprisonment of religious activists, the legal importation or domestic printing of Protestant Bibles, the restrictions against the Nazarenes and other unofficial groups, the construction and repair of Churches to be most appropriate and reasonable. I do not see how the Romanian authorities could possibly disagree with the President based upon any substantive principles that they may perceive as vitally important to their national welfare. I have always found the authorities to be very reasonable, and I am confident that they will display good judgment here as well.

I thoroughly agree with President Reagan that MFN has had a significant impact on the overall religious situation in Romania although I, too, am concerned by the disturbing allegations that have been made. Even if the alarming reports that we have received should turn out to be true, I believe that the President has still taken the wisest course of action, difficult though it may be in the light of the pressures that have emerged. I am in full agreement with the position "that it is better to continue to use U.S. influence in an effort to improve a situation which arouses our concern rather than to abandon our principal means of influence and walk away from the situation."

We should acknowledge the remarkable expressions of religious worship and activity that unquestionably exist even though we are profoundly disappointed by the reports of serious violations of the freedom of these communities. It is indeed of the utmost importance that we maintain and strengthen our relationships in every way possible if we wish to preserve our influence.

I applaud the Presidential charge to the Secretary of State to vigorously pursue our efforts to encourage positive developments and to report to him personally and to the Congress every six months regarding these matters.

I would also urge that President Reagan appoint a special Commission to investigate the charges of the violations of human rights and religious freedom in Romania in order to determine the substantive problems in the calm light of reason. I would also recommend that these problems then be openly and frankly discussed with the Romanian authorities clearly communicating our deepest concerns regarding such violations and securing irrefutable evidence that violations have been redressed and that there will be a full observance of the expectations that we made. The findings and recommendations of this Commission could become part of the Secretary of State's report to the President and Congress.

I believe that President Reagan is absolutely right when he emphasizes the importance of keeping the channels of communication open and maintaining the important influence of the MFN relationship. Romania presents to the United States a unique challenge and unparalleled opportunity to really make a positive creative impact on an East European State where the overwhelming majority of the people have a deep sympathy for America and its ideals. We should make every effort possible to support the forces at work within the Romanian society that are struggling to build a humane and just social order.

If there is to be a radical disruption between the United States and Romania as would be the case with the revocation or suspension of MFN, let it be done only after a careful objective investigation of the serious charges, after vigorous discussions of our expectations, after giving the Romanians a reasonable opportunity to respond positively to our concerns, and after a thoughtful examination of the full implications of our actions. The stakes are too high - incredibly so - for the whole spectrum of American-Romanian relationships expecially for the religious communities in Romania to do otherwise. Let us not be pressured into making a decision that may only succeed in destroying the bridges of trust and understanding that we have so patiently been attempting to build and thus bring about irreparable damage to all involved.

Respectfully submitted,

Earl A. Pope
Professor of Religion
Lafayette College
Easton, PA 18042
215-250-5179

EAP:pb

LONG

W. R. LONG
CHAIRMAN OF THE BOARD &
CHIEF EXECUTIVE OFFICER
TWX No. 510-929-0895
TELEPHONE
(919) 823-4151

June 9, 1986

Mr. Joseph K. Dowley, Chief Counsel
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Dowley:

As Chief Executive Officer and Chairman of the board of an american company conducting business trade with the country of Romania, I urge you to support the position of that country to retain its Most Favored Nation Status.

Our company's trade relationship with Romania has existed since 1971 when I first visited them and negotiated an import agreement to distribute farm tractors manufactured in Romania in this country. I have visited them two or three times a year since that time and in addition, our company keeps a technician at their factory in Brasov. Our technician lives there and checks the quality of the products exported to us. We always receive fair and equitable treatment while in Romania and are at liberty to travel around the country.

We feel that our relationship with them is mutually beneficial and that it enables us to provide the american farmer with quality products for less cost, thereby helping him to survive in these very difficult times.

We hope that you will see fit to support the position of Romania to continue as a Most Favored Nation.

Sincerely,

W.R. Long

W. R. Long
Chairman and CEO
Long Mfg. N.C. Inc.

WRL/cra

P.S. We request this letter to be recorded in the Congressional Record.

LONG MFG. N. C. INC. / P. O. BOX 1139 / 1907 NORTH MAIN STREET / TARBORO, NORTH CAROLINA 27886 / U.S.A.

NAE
NATIONAL ASSOCIATION OF
EVANGELICALS
OFFICE OF PUBLIC AFFAIRS/1430 K Street NW/Ste. 900/Washington, D.C. 20005/(202) 628-7911

PREPARED STATEMENT OF DR. ROBERT P. DUGAN, JR.

DIRFCTOR OF THE OFFICE OF PUBLIC AFFAIRS

NATIONAL ASSOCIATION OF EVANGELICALS

FOR THE TRADE SUBCOMMITTEE

OF THE HOUSE WAYS AND MEANS COMMITTEE

JUNE 10, 1986

Mr. Chairman, on behalf of the National Association of Evangelicals (NAE) I want to thank you for the privilege of testifying to the distinguished members of this committee. The NAE is an association of some 50,000 U.S. churches with 5 million members from 78 different denominations, including 44 member denominations. We have been a voice in Washington for Evangelicals since 1943 through our Office of Public Affairs. The NAE services a constituency of 10-15 million through commissions and affiliates such as the National Religious Broadcasters and World Relief. As well, our Evangelical Foreign Missions Association is the largest association of foreign missionaries in the world.

We applaud the Committee's decision to hold hearings on the continuation of Most-Favored-Nation (MFN) trade status for Romania. It is encouraging to us that increased congressional attention is being given to both MFN and the role it can play in influencing actions by repressive nations.

This is the greatest age of religious persecution in the history of the Christian church. More men and women have been persecuted, tortured and slain for their faith since the turn of the 20th century than in the previous 19 centuries combined. This atrocity means great responsibility for those of us not directly involved in this on-going cruelty. It is precisely because church members in Romania are denied the right of religious conscience, that the NAE, representing major Christian denominations here in America, must speak out on their behalf.

Violations of religious liberty are the most horrific of human rights abuses. They attack what is most central to human beings: our orientation toward the transcendent God Who is There, the Source from which we come. To abuse religious freedom is to commit rape upon the human spirit and tear the very fabric of personhood. Indeed, the very foundation of all human rights is the right to one's conscience -- the freedom to act on the beliefs that are held central to a person's existence.

The recognition of an authority higher than the state, that Christian faiths teach, is a perceived threat to communist dictatorships around the globe, including that of President Ceausescu. Much like all Marxist regimes, the Romanian government has coopted the church for its own political purposes. The officially-sanctioned church denominations have shrunk from over 60 before World War Two, to a current 14. While these official churches are allowed to hold religious services, other, non-registered church communities have been denied official status, harassed and persecuted for merely wanting the ability to freely practice their faith. The documentation of churches being bulldozed, Bibles being recycled into toilet paper, and the brutal torture and killings of religious leaders have been presented elsewhere in these hearings. These actions should not only be unacceptable, but should not be part of the economic policy of a nation which prides itself as a leader in human rights causes.

The Jackson-Vanik Amendment to the Trade Act of 1974 specifies emigration standards for "non-market econom[ies]" to allow for MFN preferential tariff arrangements. These emigration concerns, however, were but a reflection of the Amendment's true intent. The self-described primary purpose of Jackson-Vanik was to "assure the continued dedication of the United States to fundamental human rights." Implicit in this understanding were two important considerations: the right to emigrate is a fundamental human right, and that other basic human rights -- such as religious liberty -- must be included in deliberations over the granting and continuation of MFN. It seems as though both of these have been noticably absent in the discussions over MFN renewal for Romania.

For the past decade, the United States has granted MFN to Romania because of a perceived foreign-policy independence and due to their limited acceptance of emigration standards. Both of these are mere charades. Emigration to the United States from Romania has been allowed reluctantly and under almost yearly pressure from U.S. officials. The right to emigrate to other countries, such as Israel, has often been denied. Romania's cyclical policy of releasing religious and political prisoners and allowing some emigration just before yearly MFN review, is transparently obvious. MFN plays a significant role in Romania's economy, and they see the need to appease U.S. concerns over human rights. These token expressions, however, should not be advanced as human rights victories.

The Administration, through the State Department, has trumpted up Romania's so-called "independent" foreign policy on the merits of its attendance at the Soviet-boycotted 1984 Olympic Games, its denunciation of the Soviet invasion of Afghanistan, and "key votes" by Romania in the United Nations in support of the United States. Deviations from the Soviet bloc should certainly be encouraged and nurtured, but not at the expense of the Romanian people. It is absurd to think that Romania's voting record in the U.N. somehow supports the United States. In 1985, Romania voted against the U.S. over 85% of the time. This was more often than its MFN-denied neighbor Poland whose human rights record -- especially on religious liberty -- is much better.

The State Department has for the past two years been using religious liberty as one of the criterion in measuring human rights abuses in its annual "country reports" to Congress. As well, in 1985 it put on a major international conference on religious liberty, which we were honored to be one of the co-sponsors. The conclusions of these actions were not only that religious liberty is (and should be) important, but that human rights must play a crucial role in the formulation of U.S. foreign policy. It seems, therefore, inconsistent to be concerned about religious liberty on one hand, and then advance the argument that Romania's "independent" foreign policy supersedes the importance of this basic human right on the other.

Some sort of action is clearly needed to convince Romania that religious liberty and other human rights have significant value. We think, however, that we must impress upon Romania our concern in a carefully measured way. We believe that a temporary suspension of MFN will send a strong signal to President Ceausescu, while not being a drastic first step. We must hold Romania's feet to the fire, but we should not burn them at the stake. Unfortunately, we have threatened to suspend MFN for the past several years -- so much so that it now appears to be an empty threat. The time for action is now; we must not carry on business as usual with this repressive government.

We recommend the temporary six-month suspension of MFN to Romania offered by Congressman Chris Smith (R-NJ), with Rep. Tony Hall (D-OH) and Rep. Frank Wolf (R-VA) (H.R. 3599). Our opinion is that the Ceausescu government can be influenced to modify its human rights policies. We recognize the differences between us in culture and political systems, and are not asking them to change their form of government overnight to become a Western-style democracy. At this point, we are only asking that they respect the basic rights of their own people. The resolutions introduced by Senators Pressler (S. Res. 372) and Congressman Yatron (H. Res. 447) outline reasonable responses in a moderate time frame that the Romanian government could take to advance acceptable and concrete improvements.

We have not arrived at this advice hastily, and do take very seriously the case advanced by supporters of continued relations. A six-month suspension is a classic compromise measure. It does not advocate harsh penalties without first giving warning. In fact, it is simultaneously a carrot and stick approach. If Romania changes its human rights policies, in ways outlined in the Pressler/Yatron Resolutions, then MFN could easily be reinstated. If not, continued suspension, complete revocation, elimination of certain strategic imports, the severing of trade, or even concerted actions by the international community could all be considered as additional measures. It is unlikely, however, that these would be necessary. More probably, Romania will respond to the first warning step of temporary suspension of MFN, if only because of its fragile economy.

Mr. Chairman, the United States has tried many other tools of diplomacy to affect conditions in Romania. It is clear that these have not produced the desired results. It is time to send a stronger message to President Ceausescu than we have done in the past. We emplore you to suspend MFN to Romania until their human rights policies have significantly improved.

Thank you very much.

June 11, 1986

Joseph K. Dowley, Chief Counsel
Committee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, D. C. 20515

Dear Sir:

This letter is written in response to your Release dated May 29, 1986 regarding a hearing on Most-Favored-Nation Trading Status for various countries. My firm is interested in supporting such a trading status for the Socialist Republic of Romania.

We, here at North American Import/Export Co., Inc. are actively negotiating for the contract to control distribution and sales of the Auto Dacia Products for the United States of America. It is obvious we have a definite interest. Your attention, however, is called to the fact that the contract has not been formally awarded.

It is our position that Most-Favored-Nation Trading Status for the Republic of Romania would be of benefit to the United States of America in a number of areas relating to the economy of this country and very possible in the balance of the trade area.

My company supports the designation of the Republic of Romania for trading status as a Most-Favored Nation. This support continues whether we are awarded the contract above mentioned or not.

Your attention is called to the fact that we currently have twelve people in our large facility which would increase to approximately one hundred people within thirty days of our signing a contract with the Republic of Romania.

Please file this supporting letter with the permanent records of your Committee in accordance with the directions contained in your Releaseof Thursday, May 29, 1986.

Very truly yours,

NORTH AMERICAN IMPORT/EXPORT CO.

By
Louis Marton, President

Ommy Imports International, Inc.
203 N. 11TH STREET
BROOKLYN, NEW YORK 11211
(718) 782-5211 TELEX 6073062 OMMY IM

June 2, 1986

Joseph Dowley
Cheif Counsel
House Ways and Means Committee
Subcommittee of Int Trade
1102 Longworth H.O.B
US House of Representatives
Washington, D.C. 20515

COMMITTEE ON
RECEIVED
JUN 20 1986
WAYS AND MEANS

Dear Mr. Dowley
As president of Ommy Imports International, Inc., I would like to present my views on behalf of extending Most Favored Nations (MFN) status to the Socialist Republic of Romania.

Ommy Imports is an importer of food products from various countries including Romania. During the 1986 fiscal year, Ommy will import approximately $1,500,000.00 of various products from Romania.

During the past several years the Socialist Republic of Romania has been recieving a great deal of distorted one sided publicity in the American press. Newspapers, such as the Wall Street Journal and The New York Times, have been taking cheap shots on exploiting situations such as the return of Transylvania to Hungary, the lack of religious freedom, and the lack of freedom of emigration.

In response to these allegations, I would like to bring out several important facts:

1) Transylvania was 100 percent Romanian before the 10th century. It was after this period that the Hungarians came in and settled in this region. It was after 1944 that Transylvania was finally reunited with Romania.

Today the Hungarian speaking people of Transylvania are able to attend schools (primary and university), attend church services, and even have daily television programs, which are all in the Hungarian language. This is something that is almost unheard of in most other parts of Easter Europe.

2) Today Romania is 98 percent Eastern Orthodox. However, there are thirteen other religious denominations that are officially recognized by the Romanian goverment. These include Jewish, Catholic, as well as other religious factions. There are many churches throughout Romania that have regular services and are not only used as museums.

3) In the past year the Romanian goverment has granted many more exist visas to it's citizens than the United States goverment is willing to accept.

I personally would like to know why some of the good points about Romania are seldom heard in the United States, such as:

1) Romania has maintained and presently maintains a foreign policy independent of Moscow.

2) Romania is the only Eastern European country which does not have Soviet troops or missiles on its soil.

3) Romania is the only Communist state that has diplomatic relations with Isreal.

4) Romania condemned and did not participate in the invasion of Czeckoslovakia.

5) Romania did not participate in the Soviet bloc manuvers around Poland in 1980.

6) Romania was the only Eastern bloc country to participate in the United States Olympic Games in Los Angeles in 1984.

In light of these facts the Socialist Republic of Romania must have Favored Nations status extended not only for the short run but for a longer period of time. If Romania loses MFN status the scenerio will most likely look like the following:

1) The United States will lose the only friendly country in Eastern Europe.

2) Romania will be drawn even closer into the Soviet sphere of economic and political influence. This will only worsen existing problems.

3) American companies doing business with Romania (importing and exporting) will experience unnecessary burdens. In some cases small companies such as Ommy Imports may even cease to exist.

4) The plight of the Romanian people will worsen due to the heavy international debt burden.

In conclusion I would like to state that Romania is not without its domestic problems. There are shortages of energy, raw materials, and certain food stuffs. However, these are not only Romanian problems but problems of the entire world. How can we condemn a country for trying to rise up to developed nation status? By refusing to extend Most Favored Nations status, the United States is condemning the Romanian people and making an enemy of a friend.

I would like to thank you in advance for your support in extending Most Favored Nations status to Romania.

Sincerely,

Mark Berezowsky
President

Par-Inco
DIRECT IMPORTERS OF THE FINEST PERSIAN AND ORIENTAL RUGS

June 12, 1986

Mr. Joseph K. Dowley
Commitee on Ways and Means
U.S. House of Representatives
1102 Longworth House Office Building
Washington, D.C. 20515

Dear Mr. Dowley:

Parvizian Inc. of New York doing business as Par-Inco, is a well established wholesale company.

We have been in Oriental rug business for over twenty years, with a contract of importing 125,000 Sq/m rugs per year from Romania. We have been the largest importer of Romanian programmed rugs to the U.S.A. for the past few years.

Par-Inco supplies rugs to over 500 major rug retailers and department stores in the U.S.A. and neighboring countries. Par-Inco has over one hundred and fifty employees with eight very large outlet stores.

Due to Par-Inco's business contract with Romania, I or my associates have traveled to Romania almost every month in the past few years. We always have enjoyed the freedom of traveling inside Romania, where in over thirty provinces Par-Inco's rugs are being produced.

While in Romania I had the opportunity to meet with many people and I found Romanians very hospitable, friendly and hard working people. They have a great respect and admiration toward America and American's. They often proudly mention about their participation in the 1984 Olympic's, which was held in the U.S.A. and signified their independent stance from Eastern blocks.

In general, Romanians speak freely about different aspects of life. I can not make the same statement about Romania's neighboring countries. Based on my knowledge, Romania is the only eastern block which has a close relationship with America's allies.

I strongly believe that the status of most favored nations should be renewed for Romania. This will not only help the preservation of human rights, but will also enhance the development of political and trade relationship between two nations, which shall be mutually advantageous.

Sincerely yours,

A. Parvizian

Abdol Reza Parvizian
Vice President

ARP/rt

BRÂNCUȘI
ROMANIAN CULTURAL AND SOCIAL ASSOCIATION, INC.
243 East 77th St. New York, N. Y. 10021

The Honorable SAM M. GIBBONS
Chairman Committee on Ways and Means
1102 Longworth House Office Bldg., Washington. DC 20515

Dear Mr. Chairman :

"BRANCUSI" , the Romanian Cultural and Social Association , Inc., respecrtfully ask the Subcommittee on Trade - Committee on Ways and Means , to aprove the MFN Trading Status with Romania .

The most criticisms of the Communist Government of Romania , as they are expressed by our honorable reprezentatives, are somehow true . It is a dictatorial regime , which exercises a strong control over its citizens and their foreign relations .

But we know that the Romanian People accept this unpleasant situation , with regrets and acquiesences , because after the Hungarian, Czechoslovakian and Polish exeperiences, they have realized that momentary THEY DO NOT HAVE A CHANCE.

Moscow has cheated the Big Powers , regarding the Peace Treaty with Romania, and has impossed its terms and control over it .

Now , The Soviet Union is trying hard to destroy the Romanian image in the Free World , in order to send again its army there ; To maintain its control and economic exploitation ; Or to keep Romania on its side .

Therefore , respectfully we beg our honorable reprezentatives to consider the geo-political conditions in which the Romanian People are carrying out their existence and policy .

Kadar and Jaruzelski DO NOT NEED inside security control, because the Russian army is there and is defending them.

We know also that these unfortunate circumstances in Romania , are not forever . The Romanian People hope and feel that sooner or later , they will be able to organize their lives in freedom and liberty , as their traditional democracy is shown by the History .

The political regimes are not permanent . Only the people and their culture are forever .

The MFN Trading Status from the United States , is not only a strong economic tie for the Romanian People . It is also a powerful and psychological expectation that the United States of America will bring them the freedom and democracy which they are expecting .

Very respectfully yours ,

Radu Neagoe

Radu Neagoe , President

Tel : 718 - 366 4464

New York City Jun 07 , 1986

"Honour to those Freedom Fighters who gave their lives fighting Communism"

ROMANIAN NATIONAL COMMITTEE OF LIBERATION,Inc,
(A NOT FOR PROFIT PATRIOTIC ORGANIZATION)
104-55 107th St.,Ozone Park,New York,N.Y.11417
Tel.(718)641-5008

CENTRAL EXECUTIVE BOARD:

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Censor
Mrs.NANCY RADIAN

Censor
Mrs.EMMA EMILIA BRATU

June 0[illegible],1985

THE HONORABLE SAM M.GIBBONS,(D.Fla.),Chairman,
SUBCOMMITTEE ON TRADE,COMMITTEE ON WAYS AND MEANS,
U.S.HOUSE OF REPRESENTATIVES,Washington D.C.20515
Attn.Hon.JOSEPH K. DOWLEY,Chief Counsel

STATEMENT

AGAINST THE EXTENSION OF THE MOST-FAVORED-NATION STATUS for the SOCIALIST REPUBLIC OF ROMANIA.

HONORABLE CHAIRMAN OF THE SUBCOMMITTEE ON TRADE,
AND DISTINGUISHED MEMBERS OF THE COMMITTEE ON
WAYS AND MEANS;

The Romanian National Committee of Liberation,Inc.is a Not-For-Profit patriotic organization,who is struggling for the Human Rights of the Romanian people,disclosing the abuses of the communist -totalitarian rule in Romania after March 06,1945,affirming the right Romanians to elect a free and real democratic government to rule their native Country.

The principal goals of the Romanian National Committee of Liberation is to promote the spiritual and historical heritage of Romanian People,and to defend it against the outrageous interference of the pernicious actions of our neighbours from East.

For this reason,as a patriotic organization C.N.R.E.,Inc.was continuously claiming the right to self determination of the Romanians from Bessarabia,Northern Bucovina and Hertza County-forcebily annexed by U.S.S.R. in June 26,1940,as a consequence of the infame Pact Ribbentrop -Molotov from August 23,1939,before World War II.

Since Romania became a Communist Country the Romanian People is asking for freedom of speech,freedom of worship,freedom from want,and especially freedom from fear.Each Romanian cries for thr religious freedom,because the Romanians and other ethnic groups have to suffer religious persecution.

Sincerely speaking,the totalitarian-communist Government of Romania remains constantly an obedient subservient to the chiefs from Kremlin of Soviet Union.The Communist System of Romania is practicing a strong desinformation based on the falsification of reality,as well as active measures to influence the behaviour of Western leaders by medias and the communist and so called liberals activists.

About the Helsinki Final Act on the the free movement of persons, the communists use the letter-text of agreement to augment the number of tourists and other visitors, scientifics, specialists, etc., charged with espionage missions in the West. In fact, if nothing ha changed and the State continues to select the travellers towards the West, the humanitarian rule is not only gotten around, but profits communist-totalitarianism.

As an obedient member of Warsaw Military -Pact, President N. Ceausescu and his Communist Government of Romania cannot be independent from the Union Sovietic of Russia who is using the Bucharest diplomacy for their international purposes of Communism by the means of terrorism, "movement of peace", anti-athomic arm-control, and economic espionage, begging loans from the United States and Western banks.

In the same time the International Communism is acting to conquer the entire World by -external encerclement, internal demoralisation and thermo-nuclear blackmail.

For these reasons, the Romanian National Committee of Liberation, Inc. appeals to the United States to condition the approval of the M.F.N. trading status by the obligation of the Communist Government of Romania of the following measures:

-to respect the Chart of the International Council on Conservation and Restauration of Monuments and Sites (ICOMOS), signed by Romania, stopping to demolish other historical monuments;
-to permit Free Unions of Romanian workers and intellectuals;
-to permit the worship of the Romanian Catholic Church of Byzantine Rite, which was interdicted since December 1, 1948;
-to accept the free association and activity of other political activity of other democratic political parties;
-to release the political prisoners and those prisoners of conscience; who are retained in jails, forced labor camps, psychiatric hospitals, or forced residence -including eng. Ion Puiu, a former political prisoner (Dec.1, 1947-Aug.1964), who dare to wrote on Feb.28, 1985, an open letter to the communist dictator of Romania, asking for to be admitted as a candidate to the Great National Assembly in the District of Jilava in the name of "His Majesty of The Romanian People". After this letter the Romanian Freedom Fighter disapeared from his last residence in Bucharest, Calea Victoriei 101, Sector 1, and his whereabouts are not known. We specify that eng. Ion Puiu was convicted in 1948 with the Executive Central Committee of the National Peasant Party-Iuliu Maniu.

For the above reasons, the Romanian National Committee of Liberation considere that the M.F.N. status to the Socialist Republic of Romania it means other support of the Communist tyranny against the Romanian majority of Romania which are not communists.

In conclusion we ask for a resolution of disaproval the President's of United States recommendation to waive Section 402-subsection (a) and (b) of the Trade Act -M.F.N. with regard to the Communist Government of Romania.

GOD BLESS AMERICA !

PRESIDENT
Alexandru Bratu
Dr. Alexandru Bratu

SECRETARY
Nick Marin
Eng. Niculae D. Marin